

environment

Commitment

- To reduce our environmental impact, follow a preventive pro-environment approach and cut the group's carbon footprint.

Lines of Action

- An approach focused on risk management and environmental responsibility.
- Anticipation of regulatory trends, based on a close and mutually beneficial relationship with legislators and regulators, and a fluid and collaborative relationship with relevant stakeholders.
- Proactive carbon footprint management.
- Eco-efficiency and energy efficiency as means of reducing environmental impacts in an economically viable manner.
- A proactive approach to preserving biodiversity.

2012 Milestones

- Reduced the carbon footprint by 16.64% against the previous year and 21.89% against 2009.
- Verified 100% of global emissions.
- Consolidated the business models for energy efficient services, SmartCities and power generation using biogas.
- Developed the "SmartForest" business model and carried out a large scale renewal of housing and commercial buildings.
- Developed "green purchasing policies", with the inclusion of new stipulations.

2013 Goals

- Cut greenhouse gas emissions in line with the targeted 21.3% reduction by 2020.
- Launch the new corporate platform to calculate and monitor Ferrovial's carbon footprint.
- Develop analysis of environmental risks in the corporate Ferrovial Risk Management (FRM) tool.
- Implement an urban renewal demo project in Spain and a pilot sustainable forestry management project (SmartForest).
- Progress in the "Ferrovial, Natural Capital" initiative and consolidation of green purchasing policies.

Introduction

Ferrovial's commitment

Ferrovial is committed to reducing the environmental impacts of its activities, taking a preventive approach that will benefit the environment and reduce the group's global carbon footprint. This commitment is embodied in one of the principles making up the "ground rules" that all decision-makers at Ferrovial and its subsidiaries around the world must abide by:

- Satisfy client and user expectations.
- Everyone participates.
- Mutual benefit in relations with suppliers and partners.
- Eco-efficiency and reduction of greenhouse gas emissions.
- The value of commitment.
- Continuous improvement.
- Intelligent dialog with stakeholders, in particular with governments and regulators.

The full text of the company's quality and environment policies, as well as amendments to the principles, can be found on the Quality and Environment section of Ferrovial's website.

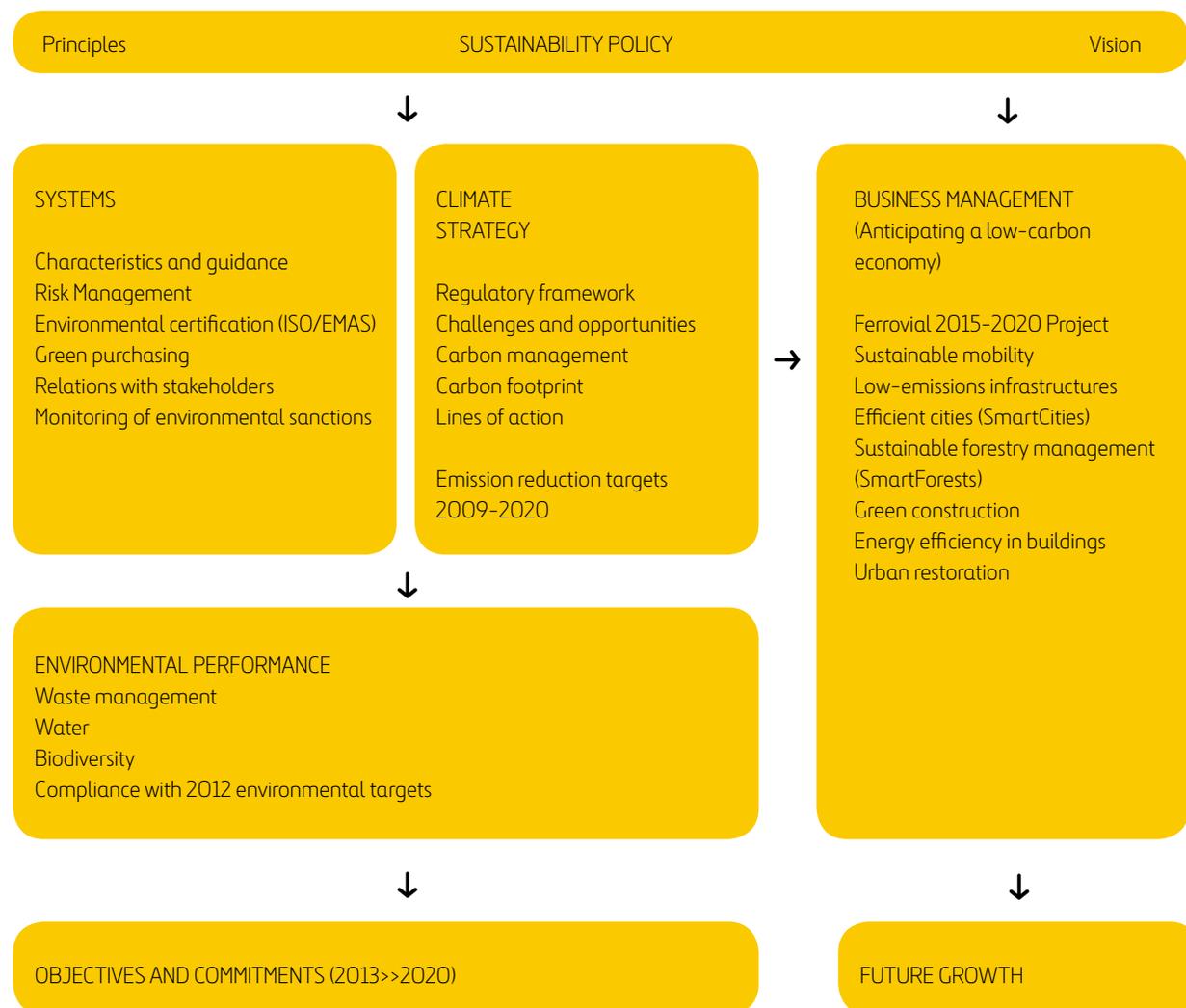
Environmental strategy

Environmental sustainability is an increasingly central part of Ferrovial's operations, not only in terms of corporate responsibility or as a means of efficiently managing certain types of risks, but also as a source for new ideas and business models in a context of global crisis. In recent years Ferrovial has bolstered its capacity to provide services and infrastructures that address global challenges such as climate change, the energy crisis and loss of biodiversity. Our objective is to create long-term value by positioning ourselves as strategic partners to governments in the countries where we operate and helping them to meet global environmental goals.

Ferrovial has established a strategy to tackle these challenges that focuses chiefly on two aspects:

- Responsible management of the environmental impacts produced by its activities.
- Optimization of the capacity to develop infrastructures and services for a “green” low-emission economy.

Deployment of Ferrovial’s environmental policy



Priorities

An approach that focuses on risk management and environmental responsibility.

All business areas are provided with management systems that exceed ISO 14001 and EMAS standards. They aim to control on-site impacts by using a preventative approach. Ferrovial has been a pioneer in environmental risk analysis and risk management systems, and it has adapted early to the demands of the European Environmental Liability Directive.

Anticipation of regulatory trends, based on a close and mutually beneficial relationship with legislators and regulators.

Ferrovial plays an active and transparent role in regulatory and legislative procedures, providing its experience and technical knowledge on regulated matters. This allows the company to anticipate any impacts on its activities and to capitalize on any opportunities that stricter environmental legislation might open to pioneering companies.

A fluid and collaborative relationship with relevant stakeholders with regards to sustainability.

Ferrovial is very satisfied with its close and stable relationships with spokespersons from civil society and leading environmental groups, with whom it actively seeks points of contact for partnership and mutual long-term benefit (WWF, FSC - Global Trade Forest, SEO BirdLife, etc.).

Likewise, it strives to maintain fluid and highly proactive relations with analysts and investors, anticipating their needs and responding to key sustainable development issues on the global agenda. This means retaining a leading position on the major sustainability indices (DJSI, CDP, etc.), as well as remaining a component of the top SRI (Socially Responsible Investment) portfolios.

Proactive carbon footprint management.

Ferrovial measures greenhouse gas emissions from 100% of its global activities, with the aim of reducing its carbon footprint via more efficient energy use. Global targets have been established for 2020, based on a bottom-up approach that identifies opportunities to reduce emissions from our production processes.

A thorough analysis of indirect emissions (Scope 3) is currently underway, including emissions generated by clients and users. The aim is to understand the global impact of our operations and to drive innovation in developing low-emission infrastructure and services.

Eco-efficiency and energy efficiency as means of reducing environmental impacts in an economically viable manner.

Ferrovial production centers prioritize efficient use of energy and natural resources, as well as cutting emissions and waste; but they are also acknowledged as sources of innovation and potential new services that Ferrovial can develop and subsequently offer its clients and users. Energy efficiency in buildings, integrated city management (SmartCities) and low-emission mobility are considered particularly key areas, all based on pioneering technology developments.

A proactive approach to preserving biodiversity.

Ferrovial is aware of the impact that some of its activities have on the natural environment. Innovative methods have been developed to mitigate such effects, capitalizing on the company's technological and scientific advances in the environmental restoration of infrastructure. Likewise, exhaustive research is being conducted into how to compensate for damage that cannot be mitigated on site, using offsetting mechanisms in several countries where Ferrovial operates. In 2012 a project was launched that seeks to provide a better understanding of how habitat banks work at a global level and what Ferrovial's role in this area should be.

Management systems

Ferrovial's management systems have been designed with the core aim of generating information that will be relevant to decision-making, both in terms of production processes and at executive and governing levels. "Useful and relevant information" means any information that:

- is based on quantitative data regarding the intensity of environmental impacts or risks, and that is gathered as close as possible to the processes that originate such impacts or risks;
- is associated with key processes, i.e. relevant environmental risks for the company;
- is reliable and can be integrated at senior levels of the organization.

In all instances, the systems and information flows will be supported by IT systems, which may vary in complexity, providing coverage to all documents, procedures and records deemed crucial to meeting targets.

When so required or deemed valuable by third parties (governments, clients and other stakeholders), systems shall be subject to accredited certification, based on the leading international standards (ISO, EMAS).

Environmental risk management

There are specific procedures in place in the business areas of Construction and Services to manage environmental risks, aimed at identifying and evaluating the chief risks, as well as managing, mitigating and controlling them.

Ferrovial has been a pioneer in implementing such procedures. It adopted them several years before they become legal requirements. In Spain, legislation has included as Law 26/2007 on Environmental Liability, Royal Decree 2090/2008 that partially implements this Law and that requires environmental risk analysis for certain activities, as well as Order ARM/1783/2011, dated 22 June 2011, which establishes the schedule for such obligations to take effect (these regulations are currently under review).

Likewise, under the EU Environmental Liability Directive, Member States may demand financial guarantees from operators to cover environmental risks. Since 2007 Ferrovial has also held an insurance policy that covers such risks under the terms established by European regulations. The company ensures that this policy and coverage is fully up to date and appropriate to current risk levels.



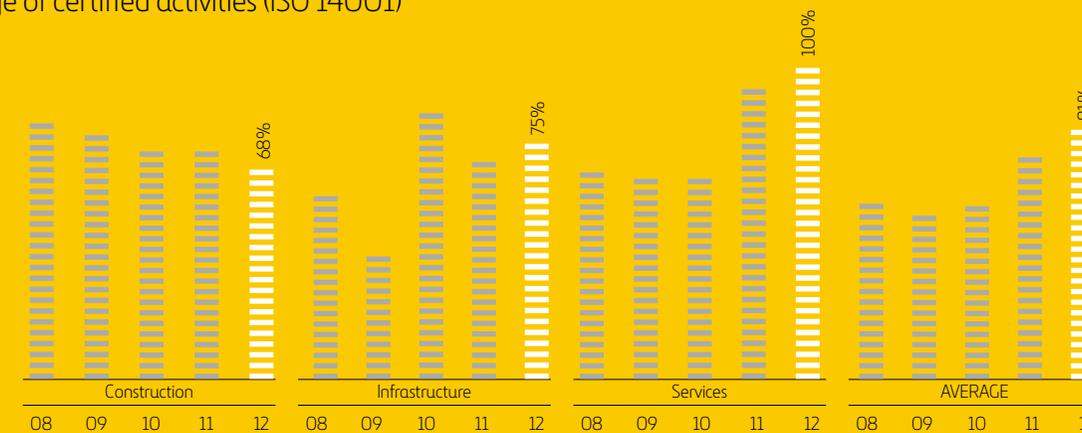
Ferrovial has been a pioneer in the implementation of specific procedures for managing environmental risk, thus anticipating the legal demand for having such procedures in place by several years.

Environmental certification

Since 2008 the group has used the percentage of certified activity to identify how far each of companies' systems, and those of the group as a whole, have been certified. The calculation exclusively includes activities that fall under the scope of corresponding environmental management certificates, based on net turnover.

In the Services business area, 100% of operations use certified management systems.

Percentage of certified activities (ISO 14001)



In 2012, the average percentage of environmentally certified activity remained unchanged compared to 2011, at 81%. In some business areas, such as Services, 100% of operations use certified management systems.

Cespa, Ferroser Infrastructure and Ferrovial Services have in place an Energy Management System certified under ISO 50001:2011.

Cadagua and Cespa have EMAS certification for a significant proportion of their industrial sites.

Other certifications

In 2012 Ferrovial commissioned an external audit of its greenhouse gas emissions, under the ISAE 3000 standard. The audit covers all divisions and includes both direct and indirect emissions established under Scopes 1, 2 and 3. The company also verified that its internal "Carbon Footprint Calculation and Reporting" procedure complied with international ISO 14064-1 standard.

Green purchasing

Vehicle fleets and timber derivatives are two of the most critical product groups from the environmental point of view that are common to all the businesses, due to their impact on the global climate. Work is being carried out to this end to develop green purchasing lines within the global procurement policy. These commitments are explicitly laid out in Ferrovial's Sustainability Policy, as well as the Global Procurement Policy approved in 2012.

In particular, the company is increasingly committed to verifying the legal origin of any materials that may be critical to environmental sustainability in their areas of origin, or that may have a significant impact in terms of biodiversity loss in certain regions of the planet. One example is timber sourced from the tropics or other parts of the world where sustainable forestry management is not guaranteed (unless an independent certification mechanism is in place). With the aim of extending the procurement of certified forestry products, Ferrovial signed a partnership agreement with the World Trade & Forest Network (Red Ibérica de Comercio Forestal in Spain), run by the environmental group WWF, under the aegis of the Forest Stewardship Council (FSC). The aim of this agreement is to try to ensure that Ferrovial carries out a “responsible and efficient use of natural resources” through:

- The establishment of an action plan that extends the purchase of FSC certified timber across the supply chain.
- Improved traceability of wood-derived products.
- Publicizing the importance of products with guarantees of origin.

In a significant proportion of construction and public services contracts the company has no control over decisions regarding the materials that are used. The company is therefore committed to ensuring that all bids and proposals made to customers should include the greatest proportion possible of recycled and reused construction materials, or environmentally friendly materials, thus extending the use of such products.

In line with the company’s climate change strategy, procurement criteria have been established for the following areas:

- Vehicle fleets held under ownership or via long-term leasing and renting contracts, as well as industrial and civil works machinery.
- Power supply contracts, promoting certified renewable sources. Some companies, such as Ferrosur (operating in the area of services) have managed to establish 100% renewable energy supplies at all offices by adhering to these criteria.

Relations with stakeholders

Ferrovial has fluid relations with key stakeholders, meaning those affected by the company’s main environmental risks across the globe, or those who may exert some influence over developing new business opportunities in the field of environmental sustainability. Analysis is conducted on these stakeholders as a whole, thus prioritizing relations with them and allocating the resources required to sustain fluent and two-way communications as part of an intelligent dialog.

As well as relations with product and service providers, Ferrovial has close links with analysts and investors specializing in Socially Responsible Investment (SRI), spokespersons from civil society (mainly NGOs and labor unions), governments and regulators, as well as local communities. The most appropriate channels of communication are established with each stakeholder group, which range from Ferrovial’s environmental microsite (<http://www.ferrovial.com/es/Calidad-y-Medio-Ambiente>) to personal interaction, including medium and long term collaboration agreements.

Ferrovial seeks out projects of mutual interest it can run with some of the leading NGOs working in environmental conservation, such as the World Wildlife Fund (WWF) or the Forest Stewardship Council (FSC), which Ferrovial joined as a partner in 2012 supported by global environmental groups. The company also works closely with government bodies. One example is its long-term partnership with Spain’s Observatorio de la Sostenibilidad (Sustainability Observatory), and the Fundación Biodiversidad.

Ferrovial is studying projects of common interest with some of the most important NGOs dedicated to conservation, such as the World Wildlife Fund (WWF) and the Forest Stewardship Council.

Environmental administrative disciplinary proceedings

In 2012 the total number of open environmental disciplinary proceedings stood at 25, corresponding to the following companies: Ferrosur (1), Cespa (8), Cadagua (1) and Ferrovial Agroman (15). A total of 8,115.5 euro has been paid as a result of these; fines from proceedings that began in previous years amounted to 3,692 euro. The largest proposed penalties refer to unsupervised depositing of excess earth from excavations, mainly from civil works.

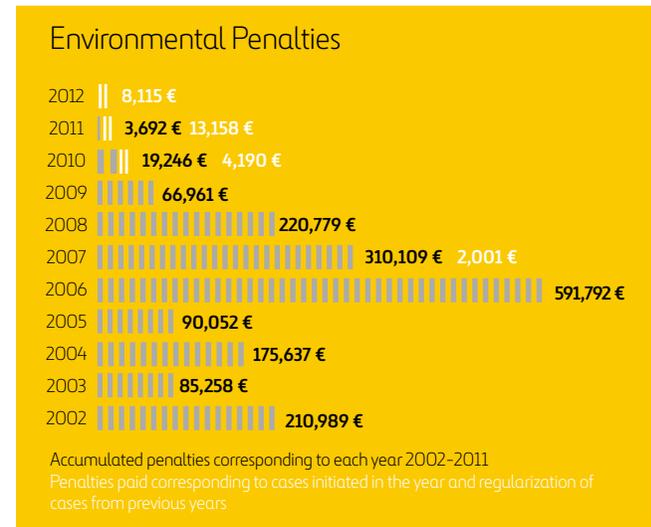
As the following chart shows, control and monitoring mechanisms established some years ago at Ferrovial have helped progressively reduce and stabilize the number of disciplinary proceedings (there were 25 in 2012 and 24 in 2011), as well as total fines.

Case study
A long-term agreement to advance our understanding of the impact of climate change on biodiversity: the climate change monitoring program in National Parks (Spain).

Since 2009 Ferrovial Agroman has been a supporter of a project run by Fundación Biodiversidad, the Spanish Climate Change Office, the National Meteorological Agency and the organization responsible for the National Parks. The pioneering initiative aims chiefly at generating a greater understanding of the implications of climate change for the best protected natural environments on the Iberian Peninsula. The agreement has been extended to 2016, with Ferrovial providing more than 1.6 million euro in funding.

More information at:
<http://reddeparquesnacionales,mma,es/parques/rcg/index,htm>

This relationship is just one small example of the fluid relations that Ferrovial has with regulators and governments in the countries where it operates. Expert personnel from various Ferrovial divisions meet regularly with officials responsible for regulations that could affect the company’s operations worldwide, based on a relationship of collaboration and mutual trust. When regulatory amendments are far-reaching, specific working groups are convened that feature representatives from all potentially affected business areas and subsidiaries. These groups carry out careful monitoring and seek to anticipate the effects of new regulations (e.g. recent amendments to the climate change framework in the United Kingdom). Structured lobbying is also conducted at international level, always pursuant to the regulations governing such activities. Occasionally agreements may be struck with other companies or industries that share common interests (e.g. the recent European Energy Efficiency Directive).



Climate strategy

Ferrovial's activities are closely associated with some of the main man-made sources of carbon emissions. Globally, passenger transport generates around 25% of total emissions and has also been the fastest growing source of emissions over the last two decades. Should the current trend remain unchecked, it is estimated that the various modes of transport (land, air and sea) will emit 9.2 gigatons of CO₂ by 2030. Cities and buildings consume nearly 70% of energy and generate more than 30% of global greenhouse gases. Progressive "global urbanization" appears unstoppable. It is calculated that by 2050 70% of the world's population will live in cities, which will undoubtedly aggravate the problem of carbon emissions, pollution and insufficient energy resources for the megacities of the future.

As a developer, operator and administrator of transport and city infrastructure, Ferrovial is aware of its responsibilities and the importance of its public commitments with regards to climate change. But we also understand that the major challenges society will have to address over the next few decades require innovative and complex solutions. Ferrovial has the capacity to put such solutions into practice, generating new services and infrastructure for the governments and clients that it works with.

The regulatory environment

International agreements signed under the Conference of the Parties (COPs) have only partially reduced uncertainty regarding the post-Kyoto era. At the Doha meeting in December 2012 a partial agreement was struck by the EU and Australia (among others) to extend protocol commitments to 2020. However, with countries such as Japan, Russia and Canada distancing themselves from the agreement, the combined emissions of the signatory countries amount to less than 15% of total global emissions. The practical effects of the agreements therefore fall short of the recommendations laid out by the scientific community to rein in man-made emissions.

Ferrovial's position is that a binding and global agreement is urgently required. Such an agreement needs to establish a roadmap for the forthcoming years, with sufficiently ambitious targets to support long-term investment and the development of low-emission technologies, services and infrastructure. However, the Doha agreements fail to provide the required certainty. Beyond a formal commitment to work on a basic agreement that should be signed in Paris in 2015, it seems unlikely that a more specific plan will be established in the near or medium term.

On the positive side, the Green Fund remains on track and should channel an annual 100 billion dollars starting in 2020. The fund will be used to pay for low-emission technologies in developing countries, as well as adaptation mechanisms in countries more vulnerable to climate change. While no formal funding agreements are in place, several countries have already established sufficient commitments to launch the Fast Start Finance system, which will remain active over the coming years. Such credit facilities support and accelerate development of so-called "climate industries", some of which are particularly appealing to Ferrovial's interests (e.g. water cycle management and low-emissions infrastructure).

Meanwhile, there has been increasing regulatory activity on a regional basis governing energy and climate change. Several mechanisms are currently emerging or have already been established in some countries where Ferrovial either operates or is beginning to operate. Particularly striking in this regard are recent statements from the US President calling for more ambitious regulations in the country, where Ferrovial has a strong position in the infrastructure industry and will seek to capitalize on any opportunities that emerge in terms of efficient cities and environmental services.

In this situation, it is obvious that energy regulation is one of the chief ways that countries can shift toward low-emission economies. We therefore believe that the Energy Efficiency Directive (Directive 2012/27/EU, approved in October 2012) must be implemented in the European Union. Ambitious implementation of this regulatory framework could significantly help reduce European energy dependency and limit greenhouse gas emissions, as well as activating the energy efficiency

market, which has major economic, technological and job creation potential. Therefore, we at Ferrovial will be following the transposition of this directive by Member States very carefully, looking to identify future opportunities that the regulations might create.

Challenges and opportunities

Far from considering climate and energy regulations a threat to Ferrovial's activities, it appears that the emerging scenario could create major opportunities for the group, particularly in countries that have signed government commitments to cut emissions and where price signals on emissions have been identified. Thus, in 2010 and 2011 the company worked on its strategic positioning with respect to global climate change trends. As part of this project (known as "Ferrovial 2015-2020"), the group identified and evaluated the risks posed to its current activities and potential new business opportunities for the 2015 and 2020 time horizon.

As part of this strategy, in recent years Ferrovial has made firm commitments to long-term R&D investment, focused on developing low-emission solutions for the transport sector, carbon sinks (SmartForests) and integrated municipal services that allow cities to become resource and energy efficient (SmartCities). Such progress is creating new business areas in anticipation of low-emission economies.

Carbon Footprint management

Ferrovial cannot be credible as a potential low-emission infrastructure and service provider if it is not prepared to make ambitious commitments to reduce its own carbon footprint. To this end, as part of its climate strategy, in recent years Ferrovial has focused on the following lines of action:

- Measuring and monitoring greenhouse gas emissions, covering 100% of Ferrovial's activities worldwide, including both direct (scope 1) and indirect (scope 2 & 3) emissions. Since 2011 the group's global footprint has been verified by an independent auditor¹.
- Establishment of public commitments to reduce emissions. These targets were set on a bottom-up basis, i.e. starting with the production processes in each business area, and identifying and evaluating the "opportunity pools" for cutting emissions.

As a result of this process, Ferrovial has set a reduction of 21.3% for emissions by 2020 compared with the base year 2009, in terms of carbon intensity². This target involves 100% of the activities, companies and subsidiaries at a global scale.

- The development of technology and processes aimed at improving the amount of emissions avoided.
- The progressive extension of the company's mobility plans. The Sustainable Mobility Plan for Ferrovial employees was introduced in 2008 and has progressively been extended to the group's main offices. It represents a pioneering initiative in the business world. As part of these plans, initiatives have been included to upgrade vehicle fleets and provide training in efficient driving practices (particularly in Construction and Services).

1. The figures published are those available as of February 2013. Any updates will be published on the Ferrovial website <http://www.Ferrovial.com/es/Calidad-y-Medio-Ambiente>.

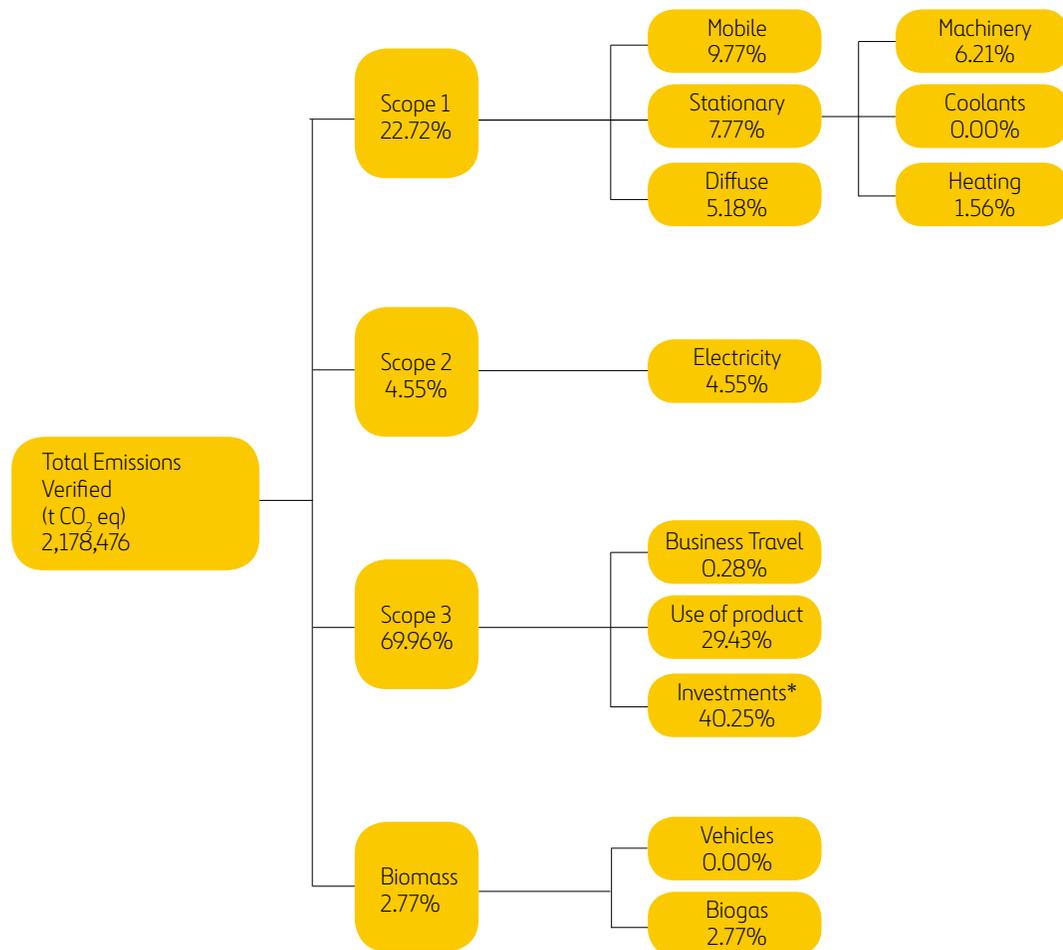
2. The ratio being [emissions in t eq / revenue in millions of euro].

- Action plans aimed at improving energy efficiency in buildings. Several projects have sought to incorporate active energy efficiency measures in corporate office buildings. One striking example is Ferrovial's offices in Príncipe de Vergara, Madrid, where electricity consumption has been cut by 52% against the 2008 figure thanks to energy efficiency upgrades carried out over the last year.

Likewise, progress has been made in implementing energy efficiency systems in accordance with ISO 50001 standards, particularly in the services area. These systems ensure energy efficiency at both the facilities and buildings owned by Ferrovial and by third parties, including power supply and generation, the management and design of facilities, and processes associated with greater energy efficiency.

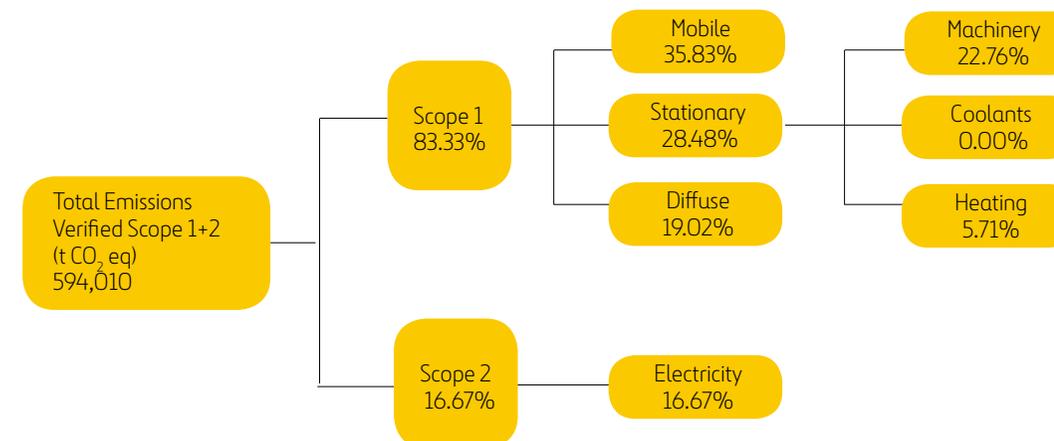
Emissions Inventory

Total greenhouse gas emissions (GHGE, 2012)



* The information on Investments refers to the emissions data for Heathrow Airports Holding Ltd. (formerly BAA) for 2011, the latest data available as of the date of this report, weighted by the percentage of Ferrovial's holding in HAH as of December 31, 2012.

Ferrovial GHG emissions (Scope 1 and 2) by company (t CO₂ eq)



Ferrovial GHG emissions evolution (Scope 1 & 2) by company (Tneq CO₂)

Company	2009	2010	2011	2012
Amey	49,453	52,980	60,563	52,729
Amey-Cespa*	33,763	33,763	33,763	11,265
Budimex	47,665	47,665	56,590	68,853
Cadagua	108,299	79,825	95,920	100,888
Cespa	383,236	360,132	295,256	245,587
Cintra	15,684	15,195	14,179	13,635
FASA	74,934	74,934	78,502	49,801
Ferrosfer	18,329	18,194	14,888	18,469
G. Ferrovial	896	860	724	711
Webber	30,301	30,301	36,300	32,072
TOTAL (SCOPE 1&2)	762,560	713,849	686,685	594,010

* The Amey-Cespa data for 2009 and 2010 are only included for comparison purposes

In 2012 Ferrovial reduced its emissions in absolute terms by 22.1 % compared to the benchmark year, and by 13.6% against 2011.

This is mainly the result of the following:

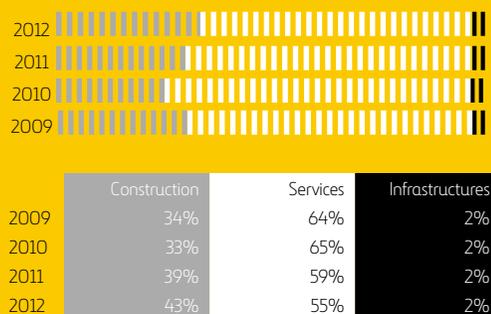
- A very significant reduction in diffuse emissions into the atmosphere from Amey-Cespa, in the waste management business.
- A decline in fuel consumption in the aggregate business, due to a drop in activity levels. This process is particularly energy intensive compared with other construction activities.

	Teq CO ₂ /Million €	2012vs2009 reduction (%)	2012vs2011 reduction (%)
TOTAL	77.92	-21.89	-16.64

In 2012 the Financial Intensity carbon intensity indicator was down 16.64% against 2011 and 21.89 % against 2009, which is enough to meet the targets set out in the emission cutting roadmap, beyond any cyclical aspects that may have substantially improved the indicator over the last year.

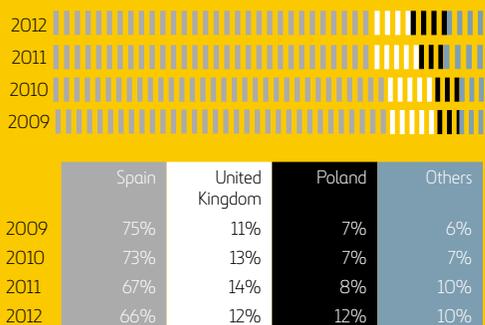
Among the companies that have increased their emissions in absolute terms are Budimex, Cadagua and Ferrosfer. In all cases the increases were due to activity growth. However, the Financial Intensity indicator for these companies held stable against previous years or even declined (e.g. Cadagua, which operates in water cycle management).

Scope 1&2 Business areas

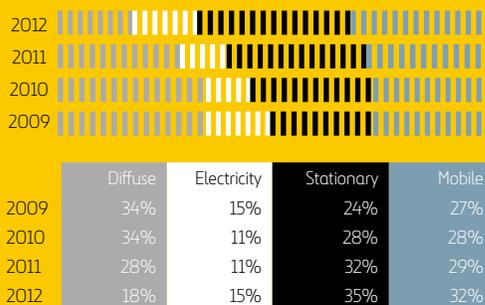


Over the years the Construction division has seen its weighting increase due to Ferrovial Agroman operating in more countries, and growth at Budimex and Webber. The growth in international operations can be seen clearly in the chart below.

Scope 1&2 by country



Scope 1&2 by source



Extension of the scope of indirect emissions (Scope 3)

In 2012 Ferrovial made significant progress in calculating and managing the indirect emissions caused by its activities, in particular those included under Scope 3.

The two main sources of indirect emissions in quantitative terms are:

- Emissions from users of infrastructures managed by Ferrovial.
- Emissions from the group's holding in the British airports. These emissions have the largest impact across the value chain; they are therefore where the company will focus over the next few years.

In infrastructure, Cintra has developed a tool known as the "Tool for estimating the carbon footprint of road infrastructure", which provides an estimate of the greenhouse gas emissions (CO₂, CH₄ and N₂O) originated by traffic on linear infrastructure such as roads and highways. This tool uses the global warming guidelines established by the Intergovernmental Panel on Climate Change (IPCC), as well as the method used by the CORINE AIRE project. To look at one case as an example, the tool used to calculate GHG emissions in USA is called MOVES. The system simulates emissions generated by automobiles and was developed by the Environmental Protection Agency (US-EPA). The aim is to allow a precise estimate of emissions generated by mobile sources in a wide range of conditions, which can be established by the user. The calculation takes into account road length, ADT, the percentages of light and heavy vehicles and average traffic speeds.

Looking at Ferrovial's interests in British airports, Scope 3 includes the company's proportional share of direct emissions (scope 1) and indirect emissions (scope 2 and 3) from airports operated by HAH (the former BAA). Among other major emissions sources, Scope 3 includes aircraft traffic, transportation for passengers and visitors at the airport and airport operator's staff transport.

Quantitatively much less important, this scope also includes emissions generated by business travel at Ferrovial, Ferrovial Agroman, Cadagua, Cespa, Cintra, Ferrovial Services and Amey, which stands at 6,028 t CO₂ eq, 23.72% more than in the previous year, due to the company's growing international operations.

NO, SO and other significant emissions

Emissions of other gaseous pollutants are calculated on the basis of fuel consumption:

a) Emissions generated by the combustion of natural gas, diesel, fuel oil and propane boilers.

NOx (t)	CO (t)	COVNM (t)	SOx (t)	Particulates (t)
128	47	7	44	9

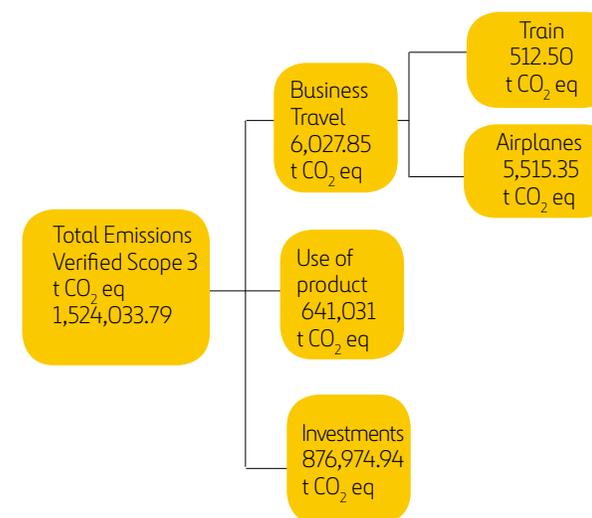
b) Diesel and gasoline combustion in motor vehicles

CO (t)	COVNM (t)	NOx (t)	Particulates (t)
1,355	177	759	96

c) Diesel combustion in mobile equipment used in construction

CO (g/Kg)	COVNM (g/Kg)	NOx (g/Kg)	Particulates (g/Kg)
110	35	336	21

GHG emissions (Scope 3, 2012)



d) Emissions caused by consumption of power acquired from the grid. The calculation takes into account the electricity mix of each country where Ferrovial operates.

NOx (t)	CO(t)	COVNM(t)	SOx (t)	Particulates (t)
123.37	48.10	0.95	227.87	9.69

Emissions caused by coolants (t CO₂ eq)

In Corporate operations, in 2012 41.8 kg of R22 coolant were recharged, representing 68 t CO₂ eq.

Emissions avoided

The emissions avoided by Ferrovial come from:

- Sorting activity in waste treatment plants and biogas capture in landfills.
- Generation of “green” electricity in biogas and natural gas cogeneration plants.
- Extension of green purchasing policies across the supply chain, as well as other sources.

a) Emissions avoided by sorting and biogas capture

Waste management operations prioritize reuse over elimination, thus reducing the volume of landfill waste and therefore potential GHG emissions. Furthermore, where emissions are eventually generated in a landfill they are captured to prevent direct methane (CH₄) emissions into the atmosphere and to allow it to be used. In 2012 these processes avoided emissions of 1,220,225 metric tons of CO₂ equivalent.

b) Emissions avoided via power generation

Biogas captured at landfills is used to generate power at cogeneration plants. In 2012 Cespa generated 448,434 GJ using this technology (a 12.5% increase on 2011), thus avoiding emissions of 37,218.06 metric tons of CO₂ equivalent.

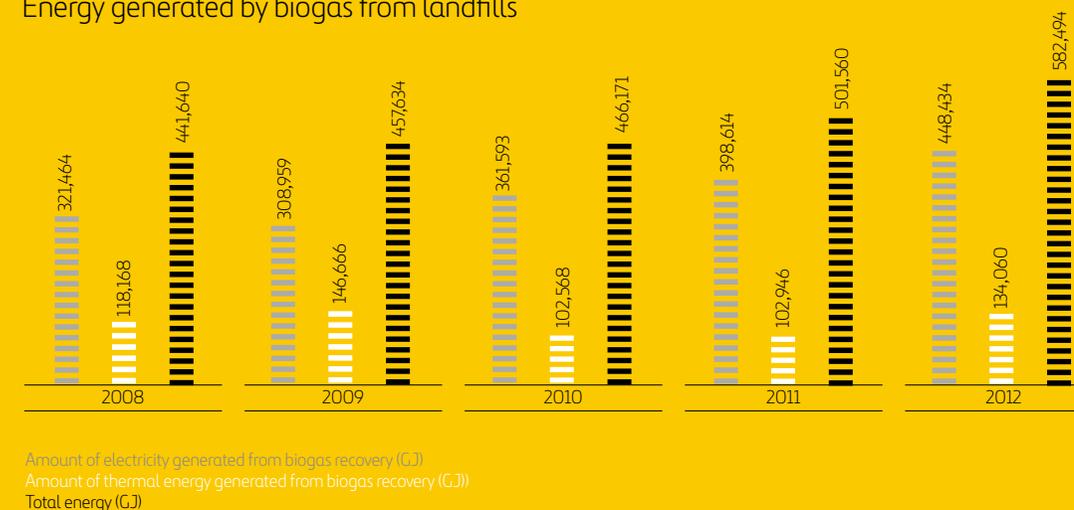
Along with thermal sludge drying procedures at sewage treatment plants managed by Cadagua, the company has set up natural gas cogeneration plants that produce thermal energy for drying and electrical power. In 2012 the company generated a total of 176,869,899.5 kWh using these processes, 12% more than in 2011. It thus avoided the emission of 52,845.90 metric tons of CO₂ equivalent.

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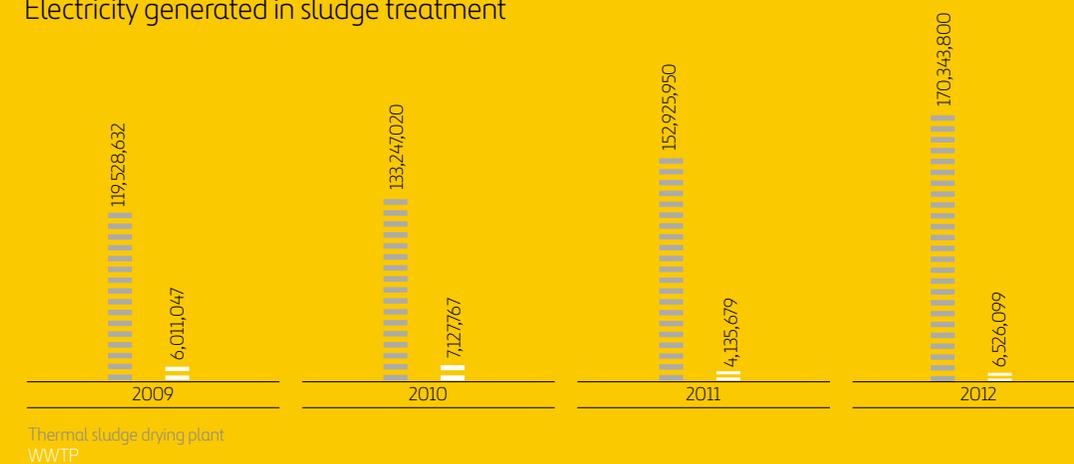
Emissions avoided by sorting and biogas capture at waste treatment facilities.

	2010	2011	2012	
Cespa	GHGE avoided by sorting (t CO ₂ eq)	212,186	253,826	282,405
	GHGE avoided by biogas capture (t CO ₂ eq)	628,874	694,650	830,923
Amey-Cespa	GHGE avoided by sorting (t CO ₂ eq)		8,522	53,797
	GHGE avoided by biogas capture (t CO ₂ eq)		0	53,100

Energy generated by biogas from landfills



Electricity generated in sludge treatment



c) Emissions avoided through green purchasing policies and other sources

As detailed above, the extension of green purchasing policies across the entire organization has had an impact on the group's carbon footprint, in particular thanks to:

- Steady improvements to vehicle fleets held under leasing or long-term renting, as well as changes to the criteria for purchasing industrial machinery and civil works.
- A significant increase in the number of certified renewable energy supply contracts, which avoided the emission of 433 metric tons of CO₂ equivalent into the atmosphere.

Other sources of emissions reduction, which have been partially quantified, include efficient driving courses (mainly provided in Construction and Services) and changes to production models in the civil works area, such as shorter distances in the transport of earth and other waste, or the use of more energy-efficient temporary offices.

Feedback from analysts

Ferrovial's climate strategy has been well received by analysts in recent years. For the third successive year Ferrovial has been included in the Carbon Performance Leadership Index (CPLI), one of only five Spain-based companies to qualify for this prestigious index. The index is run by the Carbon Disclosure Project (CAP), an initiative that evaluates companies' climate strategies, emissions reporting and management. It also handles the interests of investment and analysis firms that together manage assets of 78 trillion dollars.

The Dow Jones Sustainability Index and FTSE4Good Index have also recognized Ferrovial's climate strategy and carbon footprint management.

Environmental performance

Meeting 2012 targets

Below is a look at how far Ferrovial complied with environmental targets set in 2012. Also presented are the new targets for 2013, set within the context of the 2020 roadmap.

Climate strategy:

- Ferrovial has verified 100% of its Carbon Footprint globally with an independent auditor, within scopes 1, 2 and 3.
- Ferrovial has increased measurement of indirect emissions (Scope 3) to all categories that are significant and relevant.

Management systems:

- Progress has been made to implement green purchasing policies within the Procurement Departments of Ferrovial's business areas, in particular with regards to certified timber.

Business management:

- Two pilot energy rehabilitation projects have been created and are to be run in 2013 in Madrid and Zaragoza (Spain). Regulatory changes have not been conducive to work on the projects getting underway this year. Talks have begun with European bodies to support their development.
- The SmartForest business model was approved by the company in 2012, while pilot areas for the initiative have been identified and researched. Talks are ongoing with several government bodies to implement the model in a forest on the Iberian Peninsula some time in 2013.

Waste management

The waste management policy shared by all group companies is designed to minimize waste production, ensure proper waste management and emphasize recovery, reuse and recycling.

Non-hazardous waste

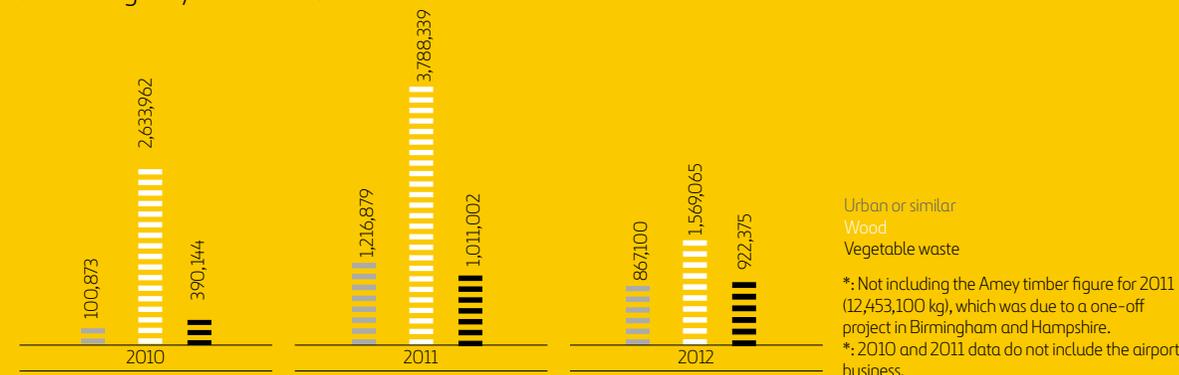
In 2012 Ferrovial generated a total of 3,358,540 kilos of non-hazardous waste sent to treatment plants (not including recycled waste), a fall of 44.2% on the 2011 figure. The significant difference is due to the major reduction in timber managed both by Amey and Ferrovial Agroman, as a result of a lower volume of concrete works and structures (using timber formwork) in 2012.



Non-hazardous waste generated in each business area

	Urban or similar	Wood	Vegetable waste	Total
AMEY	N.A.	148,232	551,175	699,407
CADAGUA	84,443	4,419	52,342	141,204
CESPA	N.A.	N.A.	N.A.	N.A.
CINTRA	782,657	12,319	250,026	1,045,003
FASA	N.A.	1,404,095	N,D	1,402,401
FERROSER	N.A.	N.A.	68,832	68,832
TOTAL (Kg.)	867,100	1,569,065	922,375	3,358,540

Non-hazardous waste generated and sent to treatment plants (excluding recycled waste)



Hazardous waste

Hazardous waste generation.

Hazardous waste included in the "non-characterized" category according to the European Waste Catalog (EWC) and generated mainly in countries outside the European Union has been reported for the first time in 2012.

	2010	2011	2012*
Total (kg)	872,407	1,204,083	3,537,208

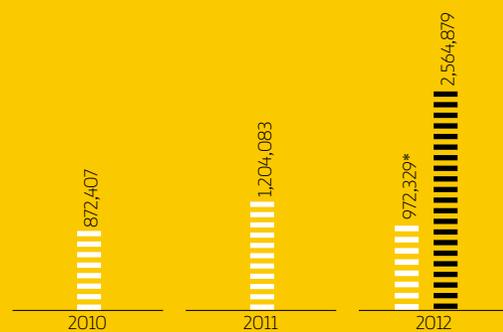
* Value based on the sum of hazardous waste characterized and not characterized under the EWC.

Most of the hazardous waste is generated by the group's international subsidiaries, mainly Webber. This subsidiary specializes in civil works infrastructure and has been awarded several important road construction contracts in the state of Texas (United States). Hazardous waste as classified in the EWC amounted to 972,329 kilos, which means a fall of 19.3% compared with the previous year, due mainly to less waste such as contaminated soil and earth being generated from projects.



View of the waste treatment plant, Portugal.

Hazardous waste (kg)



*Amey: data not available

Dangerous waste characterized according to the European List of Waste (ELW)
Dangerous waste not characterized according to the ELW

Recycling

Recycling of waste at each business area, by category

	Paper and card-board	Industrial plastics	Scrap metal	Other materials	Total
Amey	15,880	15,840	519,730	889,828	1,441,278
Cadagua	N.A.	N.A.	N.A.	N.A.	N.A.
Cespa	N.A.	N.A.	N.A.	N.A.	N.A.
Cintra	24,982	3,659	407,292	1,147	437,081
Ferrovial Agroman	149,091	N.A.	11,893,174	N.A.	11,895,086
Ferrosfer	14,430	N.A.	17,700	N.A.	32,130
Total (Kg)	204,383	19,499	12,837,896	890,975	13,952,753

In 2012 a total of 13,952,753 kilos of waste were recycled, which was in line with the trend seen in previous years. The largest contribution came from scrap metal recycling at Ferrovial Agroman, as part of its construction and demolition work.



Waste treatment

Water consumption

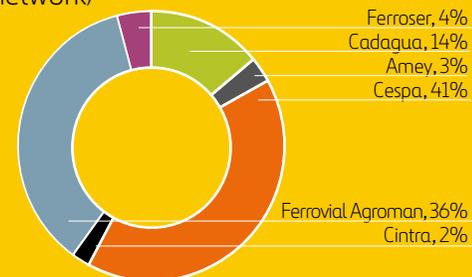
In 2012 total water consumption (2,615,816 m³) showed a drop of 19.1% in like-for-like terms against the volume reported in 2011. This decline was mainly due to two factors:

- A reduction in the volume of projects contracted in the Construction division (Spain).
- Emphasis on water reuse practices (basically in Construction and Services activities).

Water consumption (m³)

	2010	2011	2012
Cadagua	197,752	263,022	353,001
Amey	300,622	226,500	85,261
Cespa	1,096,660	1,098,252	1,051,423
Cintra	137,233	82,051	58,667
Ferrovial Agroman	628,838	1,438,466	950,517
Ferrosier	116,825	119,643	113,583
Corporation	4,137	6,408	3,364
TOTAL (m ³)	2,482,068	3,234,343	2,615,816

Water consumption (supplied by the mains network)



Biodiversity

Environmental restoration

Ferrovial is aware that its construction and infrastructure operations can have a significant impact on biodiversity, not only because physical space is occupied by works, with the subsequent destruction or profound alteration of habitats, but also due to fragmentation of the ecosystems that the natural environment sustains. Linear infrastructure, such as roads or railroad, have a particularly significant impact, as do large public works. Although in general such operations must comply with demanding environmental legislation, Ferrovial seeks to adhere to baseline standards of conduct to ensure that such environmental hazards are mitigated.

To this end a two-pronged approach is adopted:

- Application of a risk assessment and management procedure designed specifically for these kinds of situations (see following section).
- Implementation of ecological restoration processes, which Ferrovial has developed over the last decade in partnership with various scientific institutions.

Ferrovial aims to maintain a minimum standard of behavior that can mitigate environmental risks with a possible significant impact on biodiversity.

Case study

Technical manual on “Ecological restoration of areas affected by transport infrastructure”

Two decades ago Professor Jourdain wondered, “Why try to impose vegetation cover that projects our own imagination on an area where nature already has its own plans?” Ferrovial, one of the world’s largest infrastructure companies, believes that an understanding of nature is required in order to design better environmental restoration that will help rebuild affected systems. There is no question that the most technically and economically efficient restoration projects will be those that, to some degree, help nature to recover on its own, capitalizing as far as possible on ecological processes.

To advance this understanding, for nearly ten years Ferrovial has been working closely with institutions such as the Spanish National Research Council, the Complutense University, Rey Juan Carlos University of Madrid, and more recently with Fundación Biodiversidad. The scientific results of this partnership, along with the conclusions drawn by the construction firm OHL and other research groups, have been “translated” into a technical language and become embodied in a text published by Spain’s Ministry of Environment. The digital edition of the manual can be downloaded at <http://www.Ferrovial.com/es/Calidad-y-Medio-Ambiente>.

Activities in protected or ecologically valuable areas

Of all Ferrovial’s activities, civil works construction poses the greatest risk to protected environments and ecologically valuable spaces. As sites are temporary, under certain conditions the company will be authorized to occupy such sites provided that a series of prevention, mitigation and control measures are implemented with regards to the environmental impact of occupying the site. With this risk in mind, Ferrovial Agroman has had a specific procedure in place for more than two years that is used to identify, evaluate and quantitatively monitor such situations and associated risks, as well as implementing measures to offset environmental impacts.

In 2012 this procedure was used to identify a total of 55 temporary sites in sensitive habitats, all in the construction business. Of these, the majority corresponded to civil and industrial works (95.5%), while the rest were building works. The risks procedure was activated when projects involved legally protected spaces (42% of sites), the presence of protected fauna populations (25%) or surface waters of high ecological value (the remaining 33%). For each of these sites specific “Environmental risk planning and monitoring measures” were prepared and overseen by the company’s central services.

There is also one permanent site in the Services area, specifically an urban waste treatment center managed by Cespa in the province of Alicante. This site affects the habitat of the Trumpeter Finch (*bucanetes githagineus*), a species included in Appendix I of the European Birds Directive. To prevent this species from being affected in any way, an exhaustive monitoring and control program has been implemented to watch for any impacts on the vegetation communities that this species of bird inhabits. At the same time, several partnerships

have been set up with government research centers to monitor bird populations. Scientific studies resulting from these agreements have helped to develop a greater understanding of the ethology and ecology of this wild bird, in a context of global change.

Business management

A key aspect of the company's environmental strategy is to develop business models that are coherent with society's demands for a more environmentally sustainable approach to the planet, capitalizing on Ferrovia's technological expertise in areas such as energy efficiency, reducing greenhouse gas emissions, the sink effect of forests and eco-efficiency.

Since the "Ferrovia 2015" plan was launched in 2011, environmental challenges have inspired several business models. Some of them have already been established while others are under development. The project has involved an in-depth assessment of Ferrovia's strategic positioning with regard to global climate change trends, both economic and regulatory. Not only were risks facing current business lines identified and evaluated; new business opportunities for the group were also identified for the 2015 and 2020 time horizons. The key areas of development, largely identified as a result of such analysis, are detailed below.

Sustainable mobility

The shift to low-emission transport infrastructure will undoubtedly be based on convergence between infrastructure and information and communication technologies, helping to make for more flexible systems and reduced energy consumption and greenhouse gas (GHG) emissions. The idea is to create truly intelligent infrastructures that adapt to demand in real time, thus ensuring fluidly running transport and activating solutions for more sustainable mobility. Examples include systems for predicting traffic events, the SAVE advanced entry-lane system for toll roads and the DAVAO+ high-occupancy vehicle detection system. All of these have been developed by the Intelligent Infrastructures Center (CIB), which was set up in 2010. The deployment of these technologies has allowed Ferrovia to develop concepts

such as managed lanes. Infrastructure of this kind is capable of reducing the carbon footprint caused by road travel, and is currently operating in countries such as the United States and Canada.

Efficient cities (SmartCities)

The Services area began developing the "SmartCity" concept more than two years ago, within the framework of its municipal and energy efficiency services. This highly practical approach means cutting costs for local governments, investment in technology, increased energy efficiency and improved quality of life for citizens.

The new model has already been deployed in several cities, such as Birmingham. It is also being launched in Sheffield, where Ferrovia Services has signed a 20-year contract and made sizeable investments. The project has been a success and warmly welcomed by the public, local unions and employees. According to preliminary estimates, a saving of around 20% on the current costs of urban services is feasible.

In Spain the first contracts of this kind have already been signed. They include the management of street lighting in the town of Soto del Real (Madrid, Spain). The project aims to reduce energy consumption and carbon emissions by around 80%. In 2012 alone there was a saving of 1,577,892 kWh, with more than 470 metric tons of CO₂ equivalent avoided.

Sustainable forestry management (SmartForests)

In 2012 Ferrovia stepped up its efforts to identify opportunities in the field of biodiversity conservation. In countries such as Spain woodlands are a source of natural resources, economic activity and jobs in rural areas. These jobs are crucial to sustaining local populations and helping to conserve habitats over the long term. However, the current economic crisis has substantially reduced public investment in protecting Spain's woodlands. The result could mean negative effects and risks for biodiversity and economic activity in rural areas.

In this difficult situation, Ferrovia's position can play a key role by replacing missing public investment, provided

Case study

Energy Efficiency in the City of Birmingham

Birmingham is one of Europe's largest cities and the second largest in the United Kingdom. It is hoping to become a global benchmark city by 2026. To this end, it has signed a 25-year partnership deal with Amey worth 3.2 billion euro, the largest contract of its kind in Europe. The project will include innovative energy efficiency improvements, such as the use of LED lighting in public areas and centralized street lighting control based on how each space is used. So far these improvements have helped to cut energy consumption by 50%, meaning an annual saving of 5 million euro and an annual CO₂ reduction of 35,000 tons.



that sustainable and long-term management of the woodlands is ensured, as well as public use of the natural heritage, which belongs to everyone. To this end, in partnership with environmental associations, the Forest Stewardship Council (FSC) and the scientific community, Ferrovia is working actively with several public authorities in Spain on a pilot project for managing public woodlands. The SmartForest model is an innovative project designed to:

- Shift forestry management practices toward a more sustainable model, supported by FSC certification.
- Maintain the woodland ecosystem services and their biodiversity.
- Unlock the value of economic activities that could fund both the conservation of these assets, and fire prevention.
- Promote energy models that are alternatives to fossil fuel models, as a means of providing energy security and reducing greenhouse gas emissions.
- Attract private capital to provide long-term funding for such activities. Ferrovia is confident that in 2013 it will deploy a pilot forestry management model developed in partnership with FSC and public administrations.

A preliminary study is being conducted on the global viability of habitat banks and other forms of conservation markets, and particularly on the role that Ferrovia could play in this context (Ferrovia, Capital Natural Project).

Green construction

Bioclimatic buildings

In 2012 Ferrovial group companies constructed more than 25,000 m² of buildings and 132,531 m² of urban developments as part of its bioclimatic projects. Of the eight buildings constructed using such criteria, two have been granted BREEAM certification and six have been certified according to the LEED tool (Leadership in Energy and Environmental Design, developed by the U.S. Green Building Council). BREEAM and LEED certification systems correspond to a set of tools designed to measure, evaluate and adapt the sustainability levels of buildings, in the design, construction and maintenance stages.

Since 2009 Ferrovial has been an active member of the Green Building Council's regional Spanish chapter, working with the institution and the international World GBC on projects such as activating urban restoration pursuant to energy efficiency requirements or promoting "Green" and "LEED" credentials.

Urban restoration

In cities, the restoration of buildings based on energy efficiency criteria is becoming an increasingly important complement to new building construction. In recent years Ferrovial has worked to develop new financing models, based on public-private cooperation, which could help gradually rehabilitate the stock of buildings over the medium to long term.

This option offers several significant benefits. A report from the Working Group For Rehabilitation (Grupo Técnico de Rehabilitación - GTR), of which Ferrovial is a member, calls for an ambitious urban renewal and energy rehabilitation program, involving 10 million homes in Spain by 2050. The program is expected to bring major savings in terms of energy and greenhouse gas emissions, representing up to 390 billion euro by 2050, while also addressing the emerging EU energy-efficiency regulations.

The program would also constitute a major opportunity for the building sector, due to its potential in terms of generating economic activity and, in particular, creating an estimated 120,000 jobs. Other socioeconomic benefits include driving up home values and improving the quality of life and comfort for users.

The report can be found at the following link: <http://www.gbce.es/es/GTR>

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Objectives and commitments (2013-2020)

In 2013 Ferrovial will continue to make progress on its main strategic lines, based on a roadmap for 2020:

- Measure and manage global greenhouse gases, including Scope 3 gases (emissions from third parties associated with the value chain).
- Continuously improve environmental risk management in areas where such risk is significant.
- Anticipate regulatory changes that might positively or negatively affect Ferrovial's activities.
- Carry out research and development of more sustainable and eco-efficient mobility technologies.
- Progressively extend the company's passenger mobility plans to other group offices.
- Extend energy efficiency in the urban environment, particularly in terms of building and city rehabilitation (SmartCities).
- Design innovative models for the sustainable management of natural resources and biodiversity (SmartForests).
- Progress in the green purchasing policy, in collaboration with the WWF and Global Forest & Trade.

2013 Goals

- Keep on track with the roadmap to cut greenhouse gas emissions from Ferrovial activities by 21.3% by 2020, compared with 2009 levels. This commitment covers direct emissions (Scope 1) and indirect emissions (Scope 2, electricity acquired from the grid).
- Implement a pilot energy rehabilitation and urban regeneration project in Spain, and develop a new framework for the energy renewal of commercial buildings.
- Implement a SmartForest pilot project, in partnership with the Forest Stewardship Council (FSC).
- Complete the "Ferrovial, Capital Natural" project, based on biodiversity markets.
- Maintain and improve Ferrovial's environmental index standings (particularly the Dow Jones Sustainability Index and Carbon Disclosure Project).

Specific objectives have also been established to improve internal control and management systems:

- Launch the new corporate platform to calculate and monitor Ferrovial's carbon footprint.
- Develop and implement a climate and environmental risks universe within the corporate management tool (FRM, Ferrovial Risk Management).

Table of environmental indicators

The table below includes the environmental indicators that have not been expressly mentioned in the text.

Indicator	2012	Un
Volume of tropical timber	39.3	m ³
Percentage of timber of guaranteed origin	61	%
Total volume of paper acquired	486,487	kg
Percentage of paper with FSC seal	24	%
Percentage of recycled paper	50	%
Percentage of paper bleached without chlorine	62	%
Procurement of key materials for the business		
Barriers	30,000	t
Asphalt	1,005,106	t
Concrete	2,515,258	t
Asphalt aggregate	97,635	t
Total vehicles in the fleet held under ownership	16,156	Nº
Percentage of company vehicles powered by alternative fuels	4	%
Consumption of reused water	1,756,819	m ³
Proposed penalties in the year due to disciplinary proceedings opened in the year	238,512	Euros
Waste produced from construction and demolition	8,854,996	t
Total soil from excavation	15,202,803	m ³
Total reused soil from excavation	12,830,069	t
Topsoil reused	14,900	m ³
Material sent to landfill outside the worksite	2,458,514	m ³
Materials reused at worksite	6,656,863	m ³
Materials sent to other worksite or authorized landfill	6,158,306	m ³
Accidental discharges to water*	50,070,028	m ³
Total number of significant accidental spillages	0	Nº
Total environmental investments and costs in the year	70,362,635	Euros

Indicator	2012	Un	
Fuels used by stationary and mobile sources	Total	7,615,821	GJ
	Diesel	3,151,001	GJ
	Fuel oil	481,612	GJ
	Gasoline	372,563	GJ
	NG	3,605,058	GJ
	LPG	30	GJ
	Propane	1,309	GJ
Consumption of energy acquired by primary sources**	Coal	248,804	GJ
	Diesel	48,782	GJ
	Gas	300,899	GJ
	Biomass	14,498	GJ
	Waste	4,867	GJ
	Nuclear	135,302	GJ
	Hydraulic	78,597	GJ
	Geothermal	237	GJ
	PV Solar	13,250	GJ
	Thermal solar	52	GJ
Wind	92,914	GJ	
Tidal	0	GJ	
Other	751	GJ	
Electricity consumption	Amey	17,426,218	kWh
	Amey-Cespa	6,527,783	kWh
	Budimex	37,421,910	kWh
	Cadagua	75,794,642	kWh
	Cespa	66,367,664	kWh
	Cintra	29,292,122	kWh
	FASA	16,571,228	kWh
	Ferrosfer	7,996,398	kWh
	Ferrovial	1,463,952	kWh
Webber	2,253,840	kWh	

* The vast majority of accidental discharges to water are associated with flows beyond the control of the sewage treatment plants managed by Cadagua. Specifically, 43,093,330.9 m³ were one-off events triggered by the start-up of the Bens sewage treatment plant (La Coruña, Spain).

** The calculation takes into account the electricity mix of each country where Ferrovial operates.