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RISKS

Preventive culture

A risk culture embedded in all business units promotes the prevention of threats and enables the achievement of the company's objectives.

Ferrovial has a Risk Management and Control Policy, approved by the Board of Directors, which sets out the general framework for the management and control of various types of risks that the management team may encounter to attaining the business objectives, as well as the acceptable risk and the level of tolerance for each risk factor.

The Board establishes and periodically reviews the risk appetite. The last update was carried out in July 2021.

EFFECTIVE RISK MANAGEMENT. FERROVIAL RISK MANAGEMENT

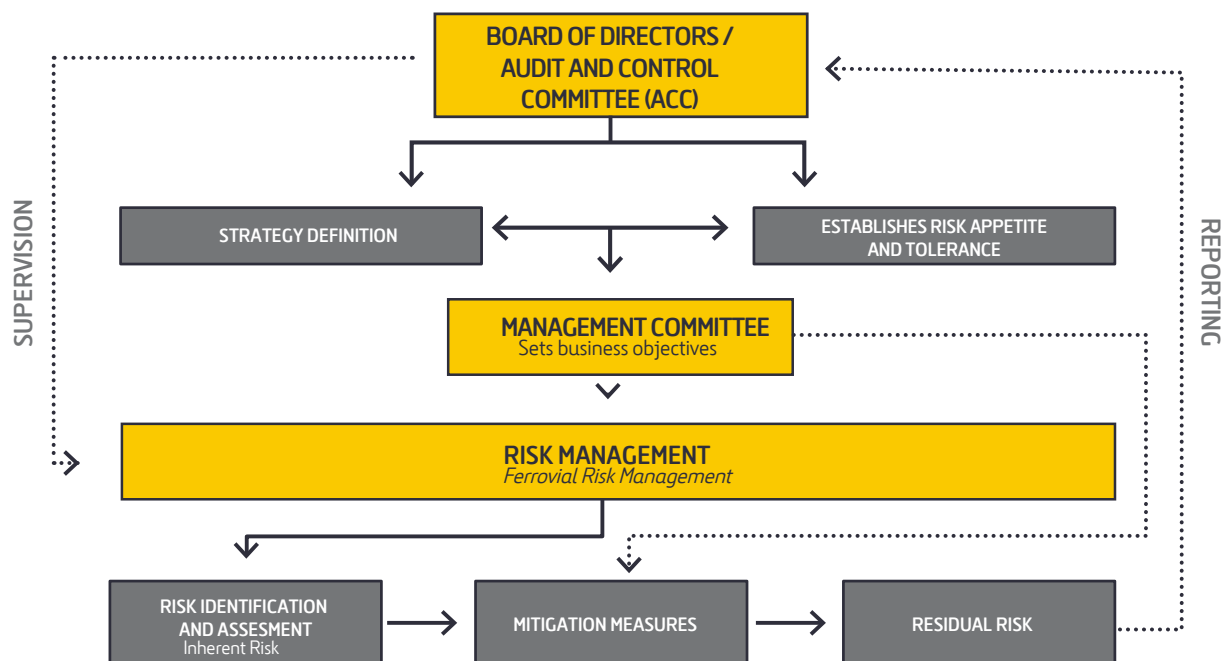
The company has a risk identification and assessment process called Ferrovial Risk Management (FRM), managed by the Compliance and

Risk Department, promoted by the Management Committee and implemented in all the company's business units, under the regular oversight of the Board of Directors' Audit and Control Committee.

Through applying common metrics, the process allows for early detection and assessment of risk events based on their likelihood of occurrence and potential impact on business objectives, including corporate reputation. This enables Ferrovial to roll out the most appropriate mitigation measures according to the nature of the risk.

For each risk event identified, two assessments are carried out: one inherent, before the specific control measures put in place to mitigate the risk, and another residual, after implementing specific control measures.

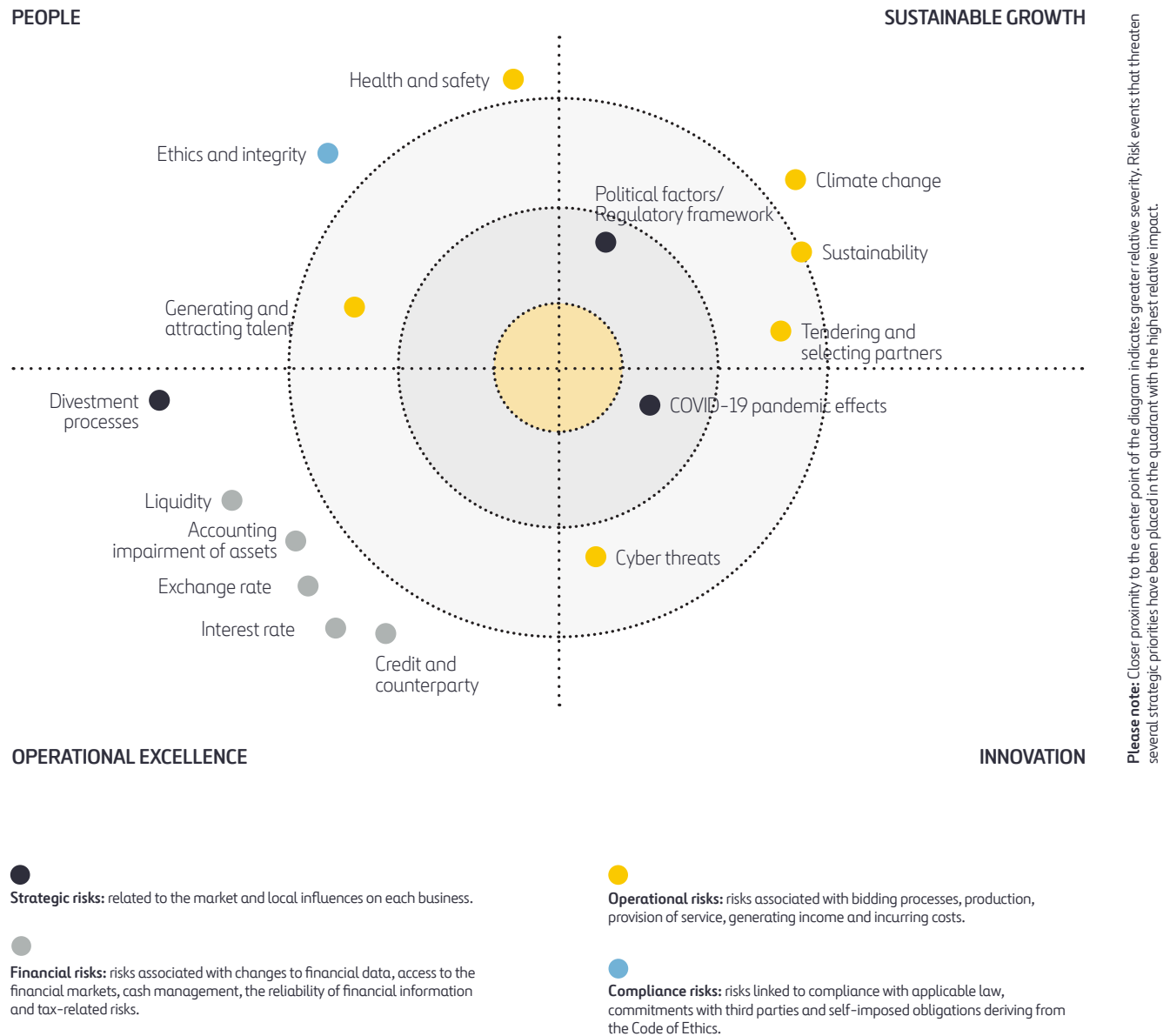
FERROVIAL RISK MANAGEMENT



Main Risks

The management on the identification, evaluation, mitigation and monitoring of risks is carried out independently by the Compliance and Risk Department under the supervision of the Audit and Control Committee of the Board of Directors.

The chart displays the most relevant risk events that threaten the execution of Ferrovial's corporate strategy.



Below is a description of the most relevant risk events, their potential impact and a list of the main control measures implemented to mitigate their impact and/or probability of occurrence.

Risk Event	Description	Potential Impact	Control Measures
COVID-19 Pandemic Effects	<p>The economic recovery is being hindered by the new mutations and the uneven vaccination rate. All this casts uncertainty on the expectations for the recovery of mobility to pre-covid levels.</p> <p>On the other hand, the pandemic is accelerating the trend towards digitization in social interaction (teleworking, e-commerce, etc.), with a potential impact on mobility patterns and, therefore, on the performance and value of the infrastructures operated by Ferrovial.</p>	<ul style="list-style-type: none"> • Damage to the integrity of employees. • Negative impact on assets valuation. • Liquidity strains. • Potential noncompliance with financial covenants. • Reductions in margins and flows in operating infrastructure projects. • Reduction of business opportunities (delays in tendering processes). 	<ul style="list-style-type: none"> • Health and safety protection measures for employees, following the recommendations of the health authorities and managed by the COVID-19 Monitoring Committee. • Measures to preserve liquidity in the short/medium term. • Negotiation of financial waivers with creditors. • Analysis and study of medium-term mobility trends, as well as review of scenarios and alternatives.
Political factors/ Regulatory framework	<p>In some of the markets in which Ferrovial operates, the recovery after the pandemic is affected by political and social movements, in some cases protectionist, which could lead to regulatory changes impacting asset management and the development of future projects.</p> <p>The negotiation of the next regulatory period for Heathrow Airport may impact the value of the asset.</p>	<ul style="list-style-type: none"> • Compliance with business plans. • Reduction of tendering processes for projects in which Ferrovial has a competitive advantage (P3). • Impact on the project's cash flows and on its liquidity in the short/medium term. • Increase in the company's tax burden. 	<ul style="list-style-type: none"> • Continuous monitoring of regulatory and legislative processes that could affect activities. • Monitoring of political movements to anticipate possible impacts. • Active negotiation of new regulatory frameworks.
Cyber Threats (see cybersecurity section pages 104-105)	<p>In a highly digitalized and interconnected economic environment, the risk of cyber threats has grown exponentially in recent years, increasing attacks against companies and critical assets (Asset Disruption, Phishing, Digital Identity Theft, etc.).</p> <p>In this context, infrastructures are exposed to threats in cyberspace (mafias, hostile government agencies, hackers, insiders, etc.), which can impact the normal operation of assets, their ability to generate the expected value and the Company's reputation.</p>	<ul style="list-style-type: none"> • Degradation or impossibility to operate the assets. • Economic loss due to the costs of recovering the activity. • Sanctions due to regulatory and/or contractual non-compliance. • Impact on the business plan with the consequent reduction in the value of the asset. • Damage to corporate reputation and competitive advantage, compromising potential business opportunities. • Loss or theft of know-how and/or intellectual and industrial property. 	<ul style="list-style-type: none"> • Global Security Model, based on NIST CSF and ISO 27002, ISO 27001 certified. Audited annually. • Security capabilities and controls based on policies, people, technologies and processes that implement the security model. • Periodic evaluation of security capabilities and controls. • Existence of a Global Cybersecurity Committee and Community made up of all BUs and subsidiaries, as a lever for the deployment of security capabilities. • Insurance coverage for various types of cyber incidents. • Establishment of formal collaboration agreements with national and international cybersecurity agencies.
Generating and attracting talent	<p>The increase in demand for skilled labor in the geographic areas (USA, UK and other western countries) where the operation and construction of transport infrastructure is concentrated makes it difficult to attract and retain talent, which could impact the company's competitiveness.</p>	<ul style="list-style-type: none"> • Loss of business opportunities due to lack of qualified staff. • Non-fulfillment of commitments with clients (deadline, quality, etc.) • Reduced margins due to increased costs. 	<ul style="list-style-type: none"> • Plan for the identification and empowerment of talent in the organization. • Promote the attraction of local talent. • Succession plan for key positions. • Measures to adapt to the new work environment.

Bidding projects and inflation	<p>Ferrovial participates in highly competitive bidding processes for large infrastructure projects with long maturity periods that require an adequate study of prices and deadlines, the availability of reliable suppliers, as well as the selection of suitable partners with sufficient technical and economic capacity.</p> <p>The risk of making mistakes in the study and in the choice of partners and suppliers may affect the established profitability and growth objectives.</p> <p>On the other hand, the inflationary stress currently being experienced by the raw materials market worldwide increases the risk of not meeting the expected profitability expectations.</p>	<ul style="list-style-type: none"> • Failure to meet growth expectations. • Reduction of margins in the execution of projects. • Contractual breaches with clients and imposition of penalties and sanctions. • Damage to corporate reputation. 	<ul style="list-style-type: none"> • Implementation of improvements in the project study and bidding processes. • Investment approval procedure, whereby the most relevant risks for each project are assessed and weighted. • Hedging of raw material prices. • Strengthening of agreements with suppliers prior to the awarding of contracts. • Negotiation of price revision clauses with clients.
Sustainability (see Environment section, pages 92-94)	<p>Both regulators and other stakeholders demand that the business objectives of organizations be sustainable, both from an environmental and social point of view, and are willing to penalize companies that do not meet their expectations.</p> <p>A misalignment between the company's strategy and the expectations of stakeholders in sustainability would compromise the fulfillment of Ferrovial's growth and investment objectives.</p>	<ul style="list-style-type: none"> • Worsening of project financing conditions. • Penalization of the company by potential investors. • Loss of positioning in sustainability indexes. • Damage to corporate reputation 	<ul style="list-style-type: none"> • Horizon 24 Strategic Plan focused on the promotion, construction and management of sustainable infrastructures. • Presence in several of the most internationally recognized sustainability indexes, among others: Dow Jones Sustainability Index, FTSE4Good, Vigeo and ISS ESG.
Health and Safety (see Health and Safety section, pages 80-81)	<p>The nature of Ferrovial's activities entails the risk of accidents that may endanger the health and safety of people (employees, customers, etc.) and may also cause damage to the company's operations.</p> <p>The current global pandemic context implies an additional risk to the health and safety of employees and the continuity of operations.</p>	<ul style="list-style-type: none"> • Physical harm to employees and third parties. • Operational impacts due to interruption in operations. • Civil/criminal liability. • Damage to corporate reputation. 	<ul style="list-style-type: none"> • Implementation of health and safety systems (adapted with anti-COVID-19 measures). • Implementation of a health and safety strategy. • Continuous health and safety training for employees. • Management systems audit plan. • Civil and professional liability coverage.
Climate Change (see Environment section, pages 92-94)	<p>Exposure to physical and transactional risks in Ferrovial's activity derived from climate change. On the one hand, extreme weather events may affect infrastructure and the development of the activity and, on the other, global trends to reduce the causes and consequences derived from climate change may entail economic (such as the increase in the cost of raw materials), regulatory, technological and/or reputational effects.</p>	<ul style="list-style-type: none"> • Disruption of operations due to physical damage to infrastructure. • Decreased productivity under extreme weather conditions. • Increased hedging premiums. • Increase in operational costs due to raw material price increases, increase in fossil fuel taxes and payment for emissions produced. 	<ul style="list-style-type: none"> • Process to identify and assess the risks associated with climate change to which Ferrovial may be exposed to anticipate them and implement programs for remediation and adaptation to the new environment. • Control and monitoring tools.

Ethics and Integrity (see Integrity section, pages 88-89)	Ferrovial is exposed to the commission of acts by its employees or collaborators that may involve a breach of the required principles of integrity, transparency and respect for legality and human rights.	<ul style="list-style-type: none"> • Criminal liability of individuals and legal entities. • Reduction of business opportunities due to non-compliance with ethical requirements. • Damage to corporate reputation. • Economic impact from sanctions. 	<ul style="list-style-type: none"> • Compliance program aimed at preventing acts contrary to ethics and integrity. • Certified criminal and anti-bribery prevention system (UNE-ISO 19601 and ISO 37001). • Specific training plan to combat crime and specifically corruption.
Financial Risks (see section Risks pages 110-114)	Ferrovial's businesses are affected by changes in financial variables, such as interest rates, exchange rates, inflation, credit, or liquidity.	<ul style="list-style-type: none"> • Loss of opportunities due to reduced project financing capacity. • Reduction of net margins. 	<ul style="list-style-type: none"> • Financial risk management policies. • Analysis and active management of the risk exposure of the main financial variables. • Sensitivity analysis to the variation of the different variables.

EMERGING RISKS AND EVOLUTION OF THE MAIN RISKS

Evolution of significant risks during the year: the risk of divestment of the Services Division has decreased, after having completed the sale in 2021 of part of the business (Environment in Spain and Portugal and Oil & Gas in North America) and reached a sale agreement on Infrastructure Services in Spain. However, the divestment of the rest of Ferrovial Services' businesses continues in the United Kingdom and Chile.

On the other hand, thanks to the Ferrovial Risk Management process, **emerging risks** caused by external agents with a potentially relevant long-term impact on the business are also identified, assessed and monitored. Among others, the following risks stand out:

Risk event	Description	Potential impact
Protection of Biodiversity and Natural (see Environment section, pages 92-94)	The degradation of ecosystems and natural capital entails operational, economic and reputational risks for the development of business activities. Specifically, Ferrovial could be affected by the loss of quality of certain ecosystem services, such as lack of water or reduced availability of certain raw materials.	<ul style="list-style-type: none"> • Reductions in margins and flows in projects. • Reduced business opportunities. • Loss of license to operate and/or stoppage of activities. • Reputational impact. <p>To ensure responsible management of biodiversity, the company has developed a methodology and an internal tool for calculating the natural capital debt called INCA, based on the automation of the calculation of the impact on natural capital and ecosystem services.</p>
The great resignation	<p>The effects of the pandemic on the health and wellbeing of people may have a significant impact on the availability of the workforce in the medium/long term. Changes in workers' motivations and expectations may follow the lived experience, which could affect the availability of (mainly senior and skilled) professionals to fill certain positions.</p> <p>There is an increase in the rate of job abandonment compared to the pre-covenant situation in some professions which, if sustained in the long term and extended to other activities, will produce an inflationary effect in middle management and skilled positions.</p>	<ul style="list-style-type: none"> • Reduced business opportunities. • Reduction of margins in the execution of projects. • Increased attrition rate. <p>The company is analyzing new flexibility measures to adapt to changes in employee needs.</p>

