

Kutxabank Gestión question

We contact you regarding the AGM call and the positioning of your company on ESG matters. As we have probably stated to you before, Kutxabank Gestión SGIIC SAU is taking steps towards the application of responsible investment criteria in its activity. It is worth mentioning that the Asset Management company is signatory of the UN PRI (United Nations Principles for Responsible Investment) and that it has defined a general policy of socially responsible investment (SRI) for all its investments.

In this context, and in order to create long-term sustainable value for its clients, the asset management company wishes the companies in which it invests, comply with and promote social, environmental and corporate governance principles within their scope of action. In this sense, applying this general policy, we will maintain an "active" positioning on these matters, which will materialize in the exercise of political rights/communication with the companies.

Consequently, having received the notification of the AGM and prior to issuing our vote, we would like to share a few comments on some ESG metrics in which we have detected a valuation below average (vs your sector GICS) or certain aspects related to governance which are not totally aligned with our principles. In this sense, we would like to receive information related to the current situation of the following parameters and the potential actions to be taken to improve or correct them:

- CO2 emissions and water consumption: above sector average.
- % women in the Board: below sector average.
- Duality CEO/Chairman: duality exists, CEO and Chairman are executive.
- Missing data in other metrics: accidents x 1000 employees, gender pay gap

Ferrovial response

CO2 Emissions and Water consumption: above the sector average

The data you have provided regarding both CO2 emissions and water consumption in the tables enclosed in your email, do not correspond to the data that has been audited for Ferrovial. It is possible that the difference is due to the incorporation of the Services division within the perimeter that has been analyzed. In accordance with international standards, we have to incorporate the full footprint of all the activities and assets that are under our operational control, independently from these assets being or not qualified as Held for Sale. Therefore, we must include the impact of Ferrovial Services.

In any case, audited data for Ferrovial in what pertains to CO2 emissions, as well as the reduction with respect to the base year, is available on page 157 of the 2020 Integrated annual report. The figure for 2020 is 72.02 tones/Net Revenues instead of the 142.27 tones/Net Revenues which you mention in your question.

As for water consumption, following EY audited data for our Integrated Annual Report, the perimeter also includes Ferrovial Services on the back of the abovementioned

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reasons. The correct data for 2020 is 503 cubic meters / Net Revenues, well below the sector average mentioned in your question.

	2018	2019	2020
Type of water source	Ferrovial (total)	Ferrovial (total)	Ferrovial (total)
Harvested rainwater	29,946.00	65,796.00	43,592.00
Recycled wastewater	27,388.00	38,504.00	57,556.00
Surface freshwater	374,628.50	160,067.40	321,578.28
Surface freshwater (Cadagua)	141,545.00	2,414.00	23
Pre-treated wastewater (Cadagua)	1,688,378.72	2,601,519.15	2,518,935.18
Water supply network	3,339,184.79	3,268,861.19	2,956,215.16
Groundwater	233,881.06	338,730.01	184,177.88
Total EN8 (m³)	5,834,952.07	6,475,891.75	6,082,077.50
Intensity (m³/turnover)	482.90	535.90	503.30

% women in the Board: below sector average.

There are currently 2 female Directors in the Board (Ms. María del Pino and Ms. Hanne Sorensen) out of a total of 12 members, representing 16.67%. This number has not changed in 2020 as there has not been vacancies in the Board of Directors.

Ferrovial has a Board Composition Policy, updated at the end of 2020, which sets a target of 30% of female Directors by the end of 2022. Said Policy indicates that the Directors selection process shall attempt to procure an appropriate balance of the Board of Directors, which enriches and contributes a plurality of views to the debates and decision taking.

To achieve this objective, attempts will be made to identify candidates who bring diversity of knowledge, experience, nationality, age and gender, and any kind of implicit bias that could entail some form of discrimination shall be avoided. Likewise, the external advisor who, where applicable, may collaborate in the selection of candidatures, will be encouraged, to searching for and presenting candidatures from the less represented gender, provided that they meet the requirements envisaged in the Policy itself.

The Nomination and Remuneration Committee of Ferrovial has included in the matters to be dealt with at its meetings in 2021, in addition to the verification of the Board Composition Policy, the specific review of the progress made by Ferrovial in the Board's diversity matters.

Duality CEO/Chairman: There is duality, Chairman and CEO are executive.

The Chairman of the Board of Directors is also the CEO. It is worth highlighting the following with regards to the composition of Ferrovial Board and its Committees (which compensates the joint role as Board Chairman and CEO):

- The high level of independence of the Board: currently, 7 Board members of the 12 which make up the Board are independent, which implies 58.33%. Ferrovial is above the 50% which is mentioned by recommendation 17 of the Code of Business Conduct. And it follows the first paragraph of recommendation 15 of said Code, which points to an ample majority of Dominical and Independent Board members (9 of the 12 Board members can be included in one of these categories).
- The Board Vice Chairman (Mr. Oscar Fanjul) is an independent Board member. Article 14 of the Board internal regulation states that the Vice Chairman will substitute the Chairman in case of absence or unavailability of the latter.
- Ferrovial also has an Independent Coordinator Board member (Mr. Juan Hoyos). Article 15 of the Board regulation attributes several functions to the Coordinator, in addition to the legally requires (preside over the Board of Directors in case of absence of both Chairman and vice Chairman and echo the worries of Non-Executive Board Members).
- Both the Control and Audit Committee and the Appointments and Remuneration Committee are exclusively composed by no executive Board Members, with the majority of them independent (in each of them, 3 out of the 4 members are included in this category).
- In the Executive Committee, 4 of its 6 members are non-executive Board members, with 3 of them independent. Ferrovial thus follows recommendation 37 of the Code of Business Conduct which, for this committee, states at least 2 Board members will be non-executive and at least 1 independent.

Missing data in other metrics:

Accidents x 1,000 employees

The information mentioned in your questions is included in the Integrated Annual Report, although described in a slightly different manner to the way it is stated in the table you sent. In our Integrated Report, accident rate data are given as ratios only, as they are a reliable representation of the company's health and safety performance. As such, the following data is provided (across the Integrated report but also on pages 160 and 161):

- Frequency rate = number of accidents with sick leave*1,000,000/No. hours worked
- Total recordable frequency rate = total recordable accidents*200,000/No. hours worked
- Severity rate = number of lost days*1,000,000/no. hours worked

The Frequency rate with sick leave (as defined above) has fallen by 11% during 2020, following the same evolution of previous years (as you will be able to see on the graph representing said rate on page 75)

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In addition, the rate of serious and fatal accidents was down by 18% in the year (as explained in the letter from our Chairman).

Gender pay Gap

This data is also available in the Integrated Annual Report, explained from page 162 onwards. It is included:

- **Gender pay gap 2020** (expressed in local currency). Data as of 31.12.202 – Base salary + salary supplements, by country and gender.
- Average salaries (base salary + salary supplements) by **professional category** (expressed in local currency), y country and gender.
- Average salaries (base salary + salary supplements) by **age group** (expressed in local currency), by country and gender.