

RESPONSIBLE TAX MANAGEMENT

FERROVIAL MANAGES ITS FISCAL OBLIGATIONS IN A PRUDENT AND TRANSPARENT MANNER, UNDER THE HIGHEST LEVEL OF COOPERATIVE COMPLIANCE, BUT WITHOUT RENOUNCING AN EFFICIENT MANAGEMENT ALIGNED WITH THE GROUP'S STRATEGY. IN 2017, THE TOTAL TAX CONTRIBUTION STOOD AT 2,075 MILLION EURO, HIGHLIGHTING THE DERIVATIVE OF EMPLOYMENT, WHICH ROSE TO 1,184 MILLION, AND THAT DERIVED FROM THE COMPANY'S OWN ACTIVITY, WHICH REACHED 621 MILLION EURO.

TOTAL TAX* (M€)

2,075

* Supported, paid and collected.

EMPLOYMENT TAXES* (M€)

1,184

* Supported, paid and collected.

TAX COLLECTED BY ACTIVITY (M€)

621

In 2010, Ferrovial adhered to the Code of Good Tax Practices promoted by the Spanish Tax Agency, subsequently extending these recommendations to all its activities in the world through the Compliance Policy and Good Practices in Tax Matters. Finally, in February 2015, the Board of Directors approved the Ferrovial Tax Policy, complying with the provisions of Article 529 ter of the Capital Companies Law.

PRINCIPLES

- Compliance, assuming the commitment to make the correct payment, and on time, of all applicable taxes, complying with the law in each country.
- Professionalism, assigning the management of taxes and the associated risks to a team of specialized professionals, the Ferrovial Tax Advisory Division, supported by top external advisors.
- Efficiency, managing tax aspects in coherence with the business strategy, maximizing the value for its shareholders.
- Cooperation, sustaining good relations with tax authorities and managing tax matters in a proactive manner in order to avoid any kind of unnecessary conflict.
- Sustainability, having procedures and policies in place to manage fiscal risks.
- Participation, contributing its international knowledge on tax matters in legislative processes.
- Applying market price in all transmissions made between the Ferrovial companies.

TAX RISK PREVENTION

Following the recommendations of the Good Taxation Practices Code:

- It promotes measures to prevent and reduce fiscal risks.

- It seeks to avoid conflicts arising from the interpretation of regulations by applying instruments such as prior consultation with tax authorities and prior valuation agreements.
- It collaborates with the competent tax administrations to detect fraudulent fiscal practices that may exist in the market, with the aim of eradicating them.
- It provides all information and documentation requested by tax authorities as quickly and as completely as possible.
- It makes use of all the possibilities offered by the inspector procedure to reach an agreement with the tax administrations.


TRANSPARENCY

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The principle of transparency frames the management of taxation. Ferrovial does not make use of any companies domiciled in tax havens or other non-transparent jurisdictions, except when a given activity - for example a specific construction project - is irredeemably connected with such jurisdictions. In this case, the company will provide information to the competent authorities pursuant to legislation.

THE ROLE OF THE BOARD OF DIRECTORS

The company's Board of Directors, via the Chairman, CEO and senior executives, ensures that Ferrovial adheres to principles and good practices with respect to taxation. In charge of approving a control and management policy for fiscal risks, as well as any operations that carry a tax risk.

When formulating the annual accounts, the Board is informed about the fiscal policies applied during the year and about the effective fulfillment of the commitments included in the Code of Good Tax Practices, reflecting it in the Annual Corporate Governance Report. For further information, please refer to section 6.6 of the Consolidated Financial Statements. 

2017 TAX CONTRIBUTION BY GEOGRAPHY

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Amounts paid in 2017. Information in euros, considering the average interest rate of the year for payments in foreign currency. Aggregated figures based on the percentage of participation, not consolidation (it includes 43.23% 407 ETR, 25% of HAH and 55.14% of Budimex). Differentiation between Tax Borne (where Ferrovial is obliged to assume it) and Tax Collected (taxes derived from Ferrovial's activity, but borne by third parties: employees, clients, suppliers,...)

MARKET	INCURRED TAXES ⁽¹⁾	COLLECTED TAXES ⁽²⁾	TOTAL (€)
Spain	361,672,219	379,225,355	740,897,573
United Kingdom	147,013,497	344,179,745	491,193,243
Australia ⁽³⁾	134,580,394	317,783,713	452,364,107
The Americas	71,933,742	86,565,756	158,499,498
Poland	33,296,413	160,345,931	193,642,344
Rest of Europe	21,932,553	16,239,402	38,171,955
Other (<1%)	0	15,183	15,183
Total	770,428,818	1,304,355,086	2,074,783,904

(1) Taxes for income, production or profits, and Social Security contributions as an employer.

(2) VAT collected, employment taxes and contributions to the Social Security for employees.

(3) Related to Australia and the rest of Pacific Islands.

EMPLOYMENT AND ACTIVITY

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Ferrovial's total tax contribution represents 15.7% of its revenues (figures based on the percentage of participation). That is to say, for every 100 euro of sale, Ferrovial has deposited 16 euro in the public coffers. Ferrovial's tax contribution comes mainly from employment-related taxes, reflecting its importance as a large employer (almost 97,255 employees average workforce), and taxes related to the development of its activity, which it impacts to their clients and collects for the different tax administrations.