



ferrovial

Climate Strategy Ferrovial

2020

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In accordance with regulation NIEA 3410 for “Assurance Engagements on Greenhouse Gas Statements”, the greenhouse gas (GHG) emissions detailed in this report have been verified under limited assurance by PwC.

In this review, it has also verified that the “Calculation and Report of the Carbon Footprint” internal procedure, approved by the Ferrovial Management, has been prepared according to that indicated in ISO international standard 14064-1.

Alignment with the TCFD (Task Force on Climate-related Financial Disclosure) and CDSB recommendations.

This report includes information relating to the governance, strategy, risk and opportunities management, goals, metrics and evolution regarding climate change, therefore following the recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD) and Climate Disclosure Standards Board (CDSB).

Introduction

2020 has been a difficult year for humanity. Marked by the COVID-19 pandemic, it has made us stop and reflect, causing us to question and reconsider many aspects that had been taken for granted up until now. One of the main reflections has been the importance of **minimising our environmental impact on a global scale**, improving the preservation of biodiversity and combatting the effects of climate change.

In this context, Ferrovia has made a greater commitment to sustainability and the Sustainable Development Goals (SDGs) through the definition of its recent **Sustainability Strategy 2030** which places the focus on the reduction of greenhouse gas emissions and combats the effects of climate change, among other aspects. To do so, it continues to advance its Climate Strategy, contributing, therefore, to the decarbonisation of the economy.

The company began its commitment to climate action in 2009 and it has progressively set increasingly ambitious goals. In the last two years, it has worked on the definition of its roadmap for decarbonisation, the **Deep Decarbonization Path**, collected in its corporate strategy and focused on reducing emissions by 2030 in the area of construction and infrastructure. In line with this plan, Ferrovia has committed to achieving carbon neutrality by 2050.

In order to make this commitment effective, the company has established some ambitious objectives for reducing emissions approved by **Science Based Target Initiative (SBTi)**. Additionally, it follows the recommendations of the **Task Force on Climate-Related Financial Disclosures (TCFD)** for the analysis of risks and opportunities related to climate change.

All of this is allowing for Ferrovia to surpass its yearly goals, having managed **to reduce the emissions of Scope 1&2 by 23.61% in absolute terms and by 55.65% in intensity and Scope 3 by 38.86% in absolute terms** compared to the base year. This reduction and other advances increase the motivation of the company to continue working on its roadmap towards the decarbonisation of its activity.

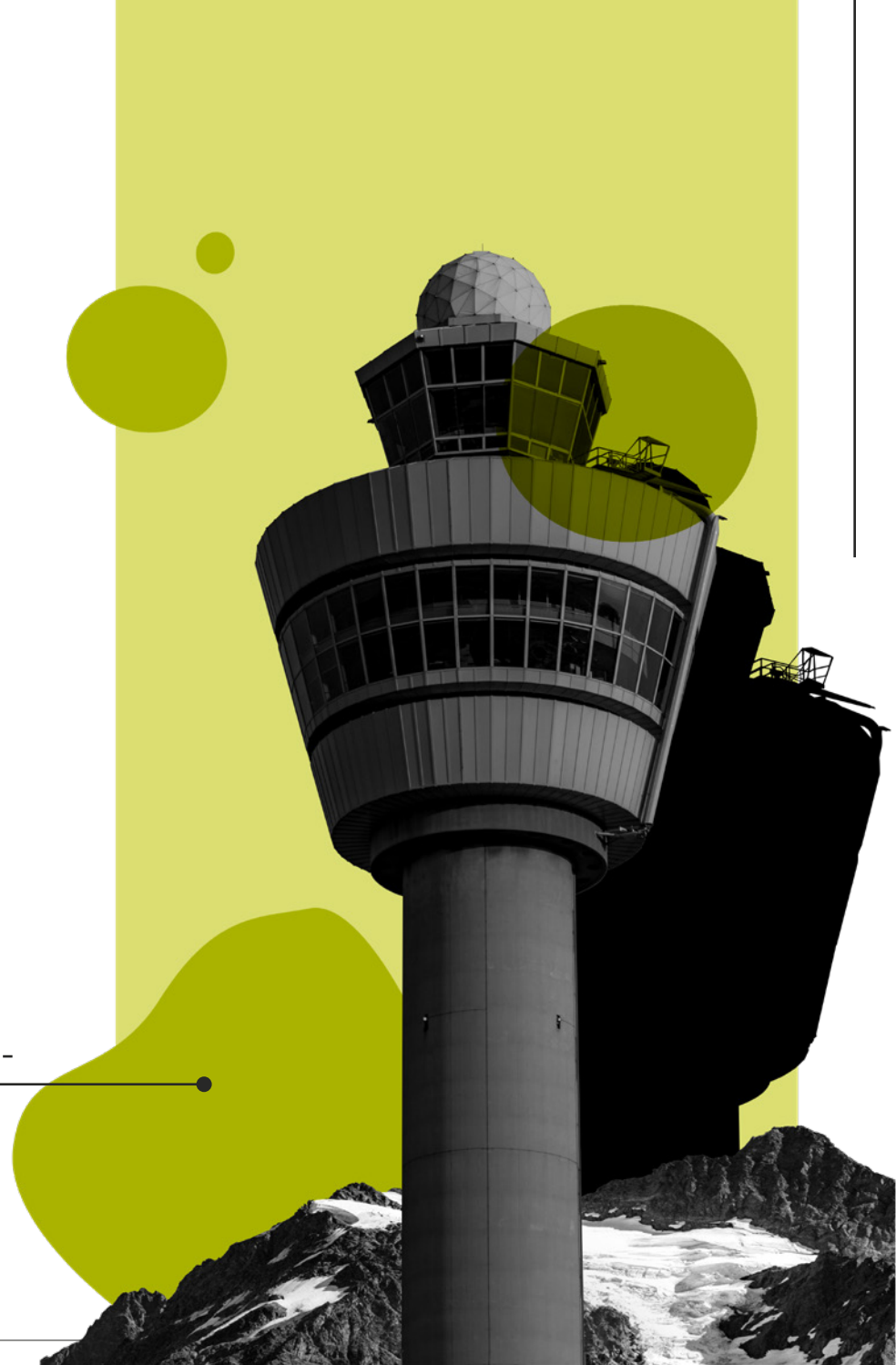
Therefore, it is found to be working on **compensation projects** in order to advance towards carbon neutrality, whose execution manages to compensate those emissions that have not been able to be avoided.

All the advances of the company in this last financial year in terms of climate change are collected in this report, where it shows the inventory of greenhouse gas emissions of its activities, the goals established, the milestones reached and how it will face future challenges in its commitment to carbon neutrality, placing the focus on the **most sustainable business opportunities and activities**.



FERROVIAL AT A GLANCE

Ferrovial is a global reference point in the infrastructure and services sector, an environment which develops solutions marked by innovation and sustainability, covering all the phases of the life cycle.



Ferrovial presence



MOTORWAYS

Promotion, investment and operation of sustainable infrastructures in increasingly congested urban environments.

- Cintra



CONSTRUCTION

Development of unique infrastructures in the fields of civil and industrial works, building and water management

- Ferrovial Construction
- Budimex
- Webber
- Cadagua



SERVICES

Efficient provision of urban and environmental services and maintenance of infrastructure and facilities.

- Broadspectrum
- Amey
- Ferrovial Services



AIRPORTS

Ferrovial is an investor, without operational control, in the British airports of Heathrow, Southampton, Glasgow and Aberdeen. Additionally, it operates electricity transmission lines in Chile.

- Transchile

- Introduction
- Ferrovial at a glance**
- Governance
- Strategy
- Risk and opportunities management
- Metrics, goals and evolution
- Emission neutrality and compensation
- Conclusions
- Emissions verification report
- Calculation methodology

Our Goals

01 Goals for reducing emissions approved by Science-Based Targets initiative by 2030

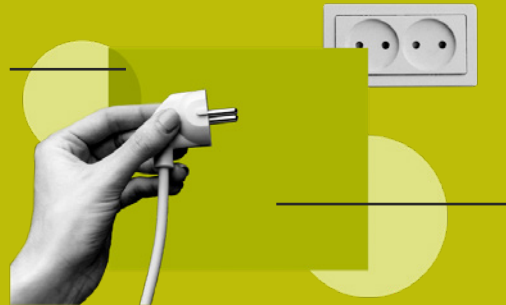
- Scope 1&2: -32% in absolute terms and -42% in terms of intensity (tCO₂e/€ million) compared to 2009.
- Scope 3: -20% compared to 2012.



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

02 100% renewable electricity by 2025



04 Management of risks and opportunities regarding climate change in the short-, medium- and long-term

TCFD | TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES

03 Moving towards neutrality by 2050



05 Alignment of the Strategy with the SDGs (Sustainable Development Goals)

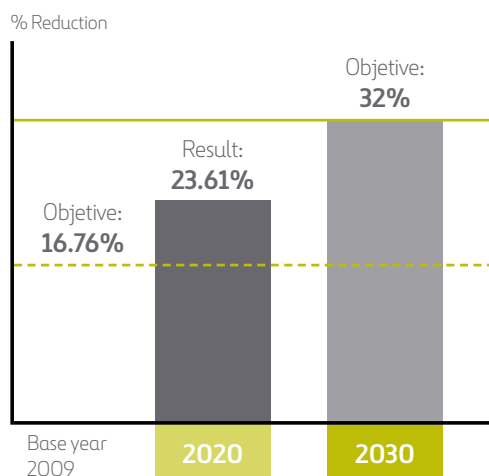
SUSTAINABLE
DEVELOPMENT
GOALS

Our Milestones

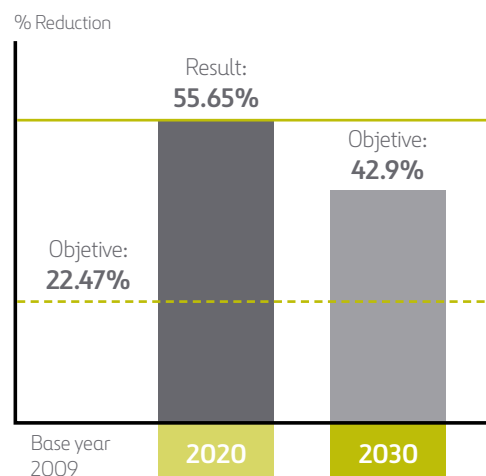
Goals for reducing emissions approved by Science-Based Target initiative by 2030

01

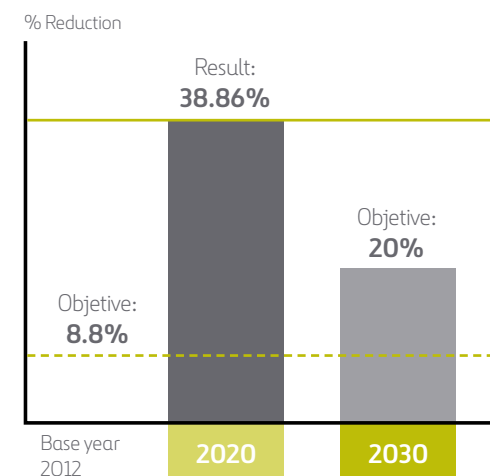
Scope 1&2 in absolute terms
(tCO₂ e)



Scope 1&2 in intensity terms
(tCO₂ e/€ million)



Scope 3 in absolute terms
(tCO₂ e)



We are complying with the established roadmap to reduce the emissions of the Scope 1&2&3 complying with the reduction goals by 2030, approved by SBTi.

Ferrovial is the first company in the sector at a global level to establish goals for reducing emissions and have them supported by Science Based Targets Initiative.

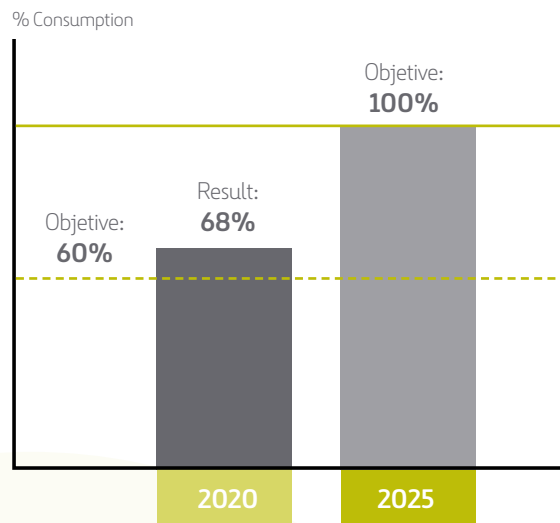
* The Deep Decarbonization Path, Ferrovial's strategic climate plan (excluding Services), establishes a Scope 1&2 emission reduction target of 35.3% in absolute terms by 2030.

Our Milestones

100% renewable electricity by 2025

02

Renewable electricity



We are complying with the established roadmap so that 100% of the electricity consumed in 2025 comes from renewable sources.

68% of the electricity consumed comes from renewable sources.

Moving towards neutrality by 2050

03



5,000 t CO₂e compensated in the Electrical Generation project in Gujarat (India).

Ferrovial establishes progressive compensation until reaching **neutrality**, from 2020 to 2050, by means of reducing emissions and the compensation that may not be avoided by means of voluntary projects of carbon compensation.

In the next five years, **compensation shall progressively reach 10%** of Ferrovia's emissions, not counting the services activity.

The Ministry for Ecological Transition and Demographic Challenge has recognised Ferrovia for its task of **compensation**, awarding it the maximum recognition reached for its work by "Calculate", "Reduce" and "Compensate" with the reforestation project undertaken in Torremocha de Jarama in Madrid. A total of 4,000 trees shall be planted which shall absorb **2,000 tonnes of CO₂**.

We are complying with the roadmap established to reach neutrality by 2050.

Our Milestones

Management of risks and opportunities regarding climate change in the short-, medium- and long-term

04

Ferrovial is one of the first businesses to implement the TCFD recommendations in its Composite Annual Report, including an in-depth analysis of the Risks and Opportunities associated with climate change.

TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

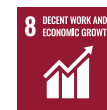
Derived from this analysis, it determines as opportunities the development of **sustainable businesses**:

- Sustainable Mobility.
- Electrification.
- Water.
- Energy efficiency.
- Circular economy.

Alignment of the Strategy with the SDGs (Sustainable Development Goals)

05

Ferrovial is the first business to certify the alignment of its Sustainability Strategy with the United Nation Sustainable Development Goals (SDGs).



Our Milestones

Recognitions

06

Ferrovial has been recognised as a leading business due to its Climate Strategy, receiving prizes once again from the **Carbon Disclosure Project (CDP)** and being included in the **Leadership Climate A list**, in which it has been present since 2010.

It has been present on the **DJSI index** for 19 consecutive years, having reached the first position in the environmental dimension. Additionally, it has been included on the **FTSE4Good index** for 17 years, it has been a **member of VIGEO** since 2018, it has an **A rating from MSCI**, it is part of **STOXX** for the sixth year in a row, it has reached the **Prime category in ISS ESG** and it has an **A+ in GRESB**. This year, the Ministry for Ecological Transition recognised its commitment to the fight against climate change with the **“Calculate, Reduce and Compensate” triple seal**.



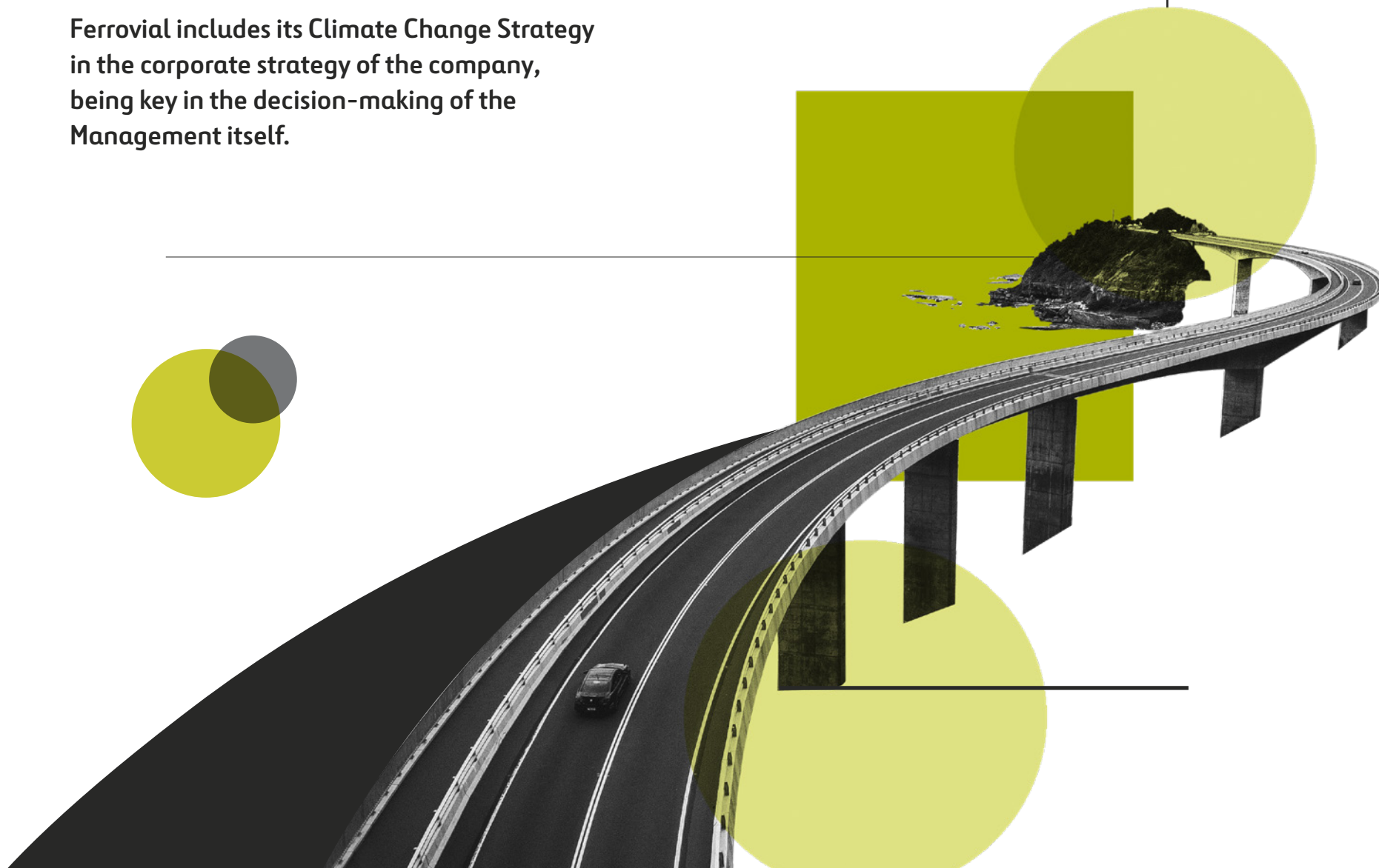
Dow Jones Sustainability Indices

In collaboration with  **SAM**
RobecoSAM brand



Governance

Ferrovial includes its Climate Change Strategy in the corporate strategy of the company, being key in the decision-making of the Management itself.



Governance

The **Climate Change Strategy** of Ferrovial forms part of the company's corporate strategy and, as such, it regularly deals with and makes decisions regarding this in meetings with the Managing Committee and the Board of Directors.

The newly-created **Sustainability Committee** is presided over by the Sustainability Manager and it is formed by representatives of the business areas and the corporate areas (Human Resources, General Secretary, Workplace Health and Safety, Quality and the Environment, Risks and Innovation, Corporate Social Responsibility, Strategy and Investor Relationship). The president of the committee reports to the Board of Directors, to the Managing Committee and the CEO. It is on this Committee that the Sustainability Strategy is organised and it forms the link between the business and corporation areas and Upper Management, reporting on the advances and results, and proposing activities to the Managing Committee.

The **Q&E Steering Committee** is presided over by the Sustainability Manager and it is the body that organises the corporate strategy on climate change across the businesses that form the company. It is where debates take place, decisions are made, requirements are established and the results regarding projects, initiatives and practices, mainly related to climate change, are reviewed, as well as the implementation of the Quality and the Environment policy throughout the business. In the process of decision-making, aspects such as emergent new legislation related to climate change, technical needs for a response to the new legislative challenges and trends in countries where Ferrovial operates are considered, as well as recommendations of the government bodies and organisations, the commitment to reducing emissions, implementation of mitigation measures, risks and opportunities, evolution of environmental indicators, among others.

In addition to the corporate Sustainability Manager, the Q&E Steering Committee consists of the maximum representatives of the business in question. The committee meetings take place at least every three months, with the possibility of meeting with greater frequency if required.

In this aspect, the figure of the Managing Director is particularly relevant as it includes monitoring and undertaking of the initiatives related to climate change within its monthly agenda. These are dealt with alongside the Sustainability Management that co-ordinates and manages this topic throughout the company.

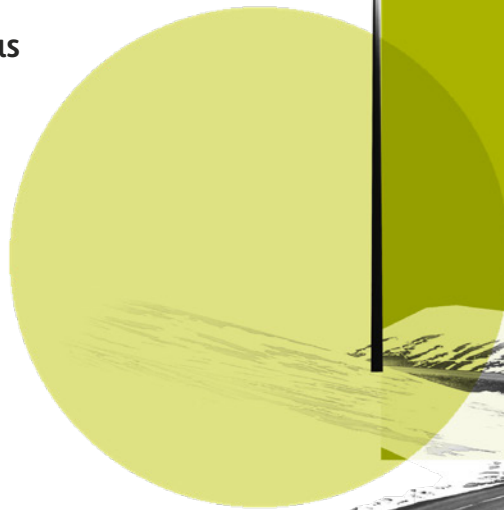
The goals of the members of the Committees include **environmental and climate change goals**.



Climate change is on the Top Management agenda.

Strategy

Ferrovial is one of the main global operators of infrastructure and service management in cities. In its new Horizon 24 Strategic Plan, it focuses on the promotion, construction and management of sustainable infrastructure, covering the entire life cycle (design, financing, construction, operation, maintenance and rehabilitation) and places the focus on new business opportunities such as mobility, water and electrification.



Strategy

The **Sustainability Strategy 2030** responds to the new strategic plan and establishes lines of activity and ambitious goals in the environmental, social and good governance dimensions, highlighting activities in terms of Climate Change, Water, Energy, Circular Economy, Innovation and Natural Capital. Ferrovial has been recognised by AENOR as the first company to certify its Sustainability Strategy with the Sustainable Development Goals (SDGs) created by the United Nations.

This certification recognises the activities of the business in terms of climate change, one of the main environmental challenges which society faces and which the businesses have a determining role in. **It strengthens the solid commitment of the company to the SDGs**, which has been converted into the most sustainable operator of infrastructures in the world, according to the DJSI. With the goal of reinforcing its involvement in achieving the 2030 Agenda, the company is part of the assessing council of the private sector for the United Nations Development Programme.

AENOR
Confía

*Certificado de Conformidad
Estrategia de sostenibilidad y su contribución
a los Objetivos de Desarrollo Sostenible (ODS)*

AENOR
ESTRATEGIA
SOSTENIBLE (ODS)

ODS-2020/0001

Ferrovial also has a strong **Climate Strategy** outlined in the Strategic Plan of the company and aligned with the Sustainability Strategy and Sustainable Development Goals. With the aim of complying with the Paris Agreement and Agenda 2030, our strategy gathers ambitious goals for reducing emissions, promotes the circular economy, compensates its impacts on biodiversity, minimises its water footprint and promotes the use of renewable energy **to the detriment of fossil fuels** at the same time as developing new lines of business aimed at reaching the **decarbonisation of the economy** and combating the effects of climate change.

Throughout the year, it has worked on the **Deep Decarbonization Path** plan in order to reach neutrality by 2050 and achieve a reduction of emissions by 2030, approved by SBTi, in the area of construction and infrastructure. The main lines of work shall be:

Deep Decarbonization Path

Emissions reduction

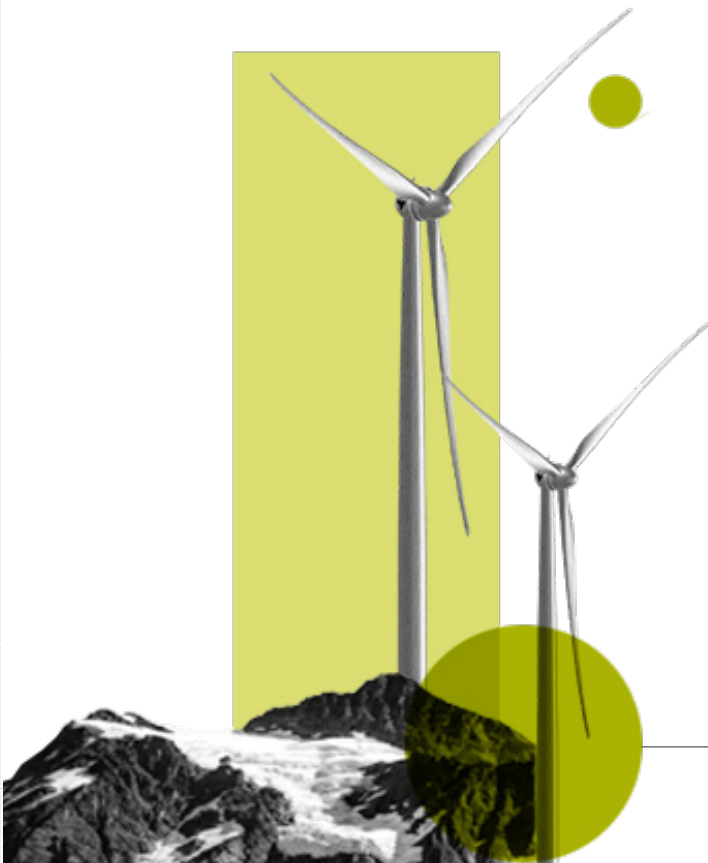
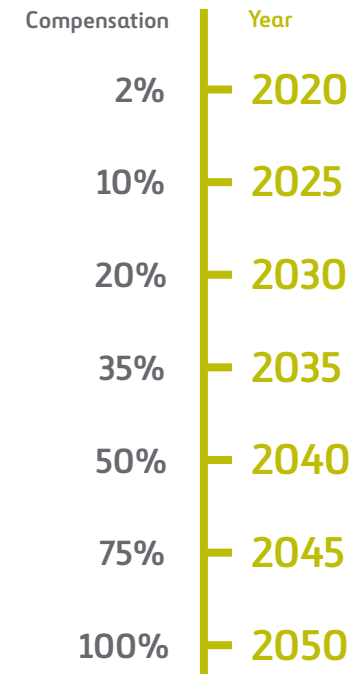
100% Electricity coming from renewable sources (2025)

33% Renewal of zero emissions fleet

20% Energy efficiency in asphalt plants

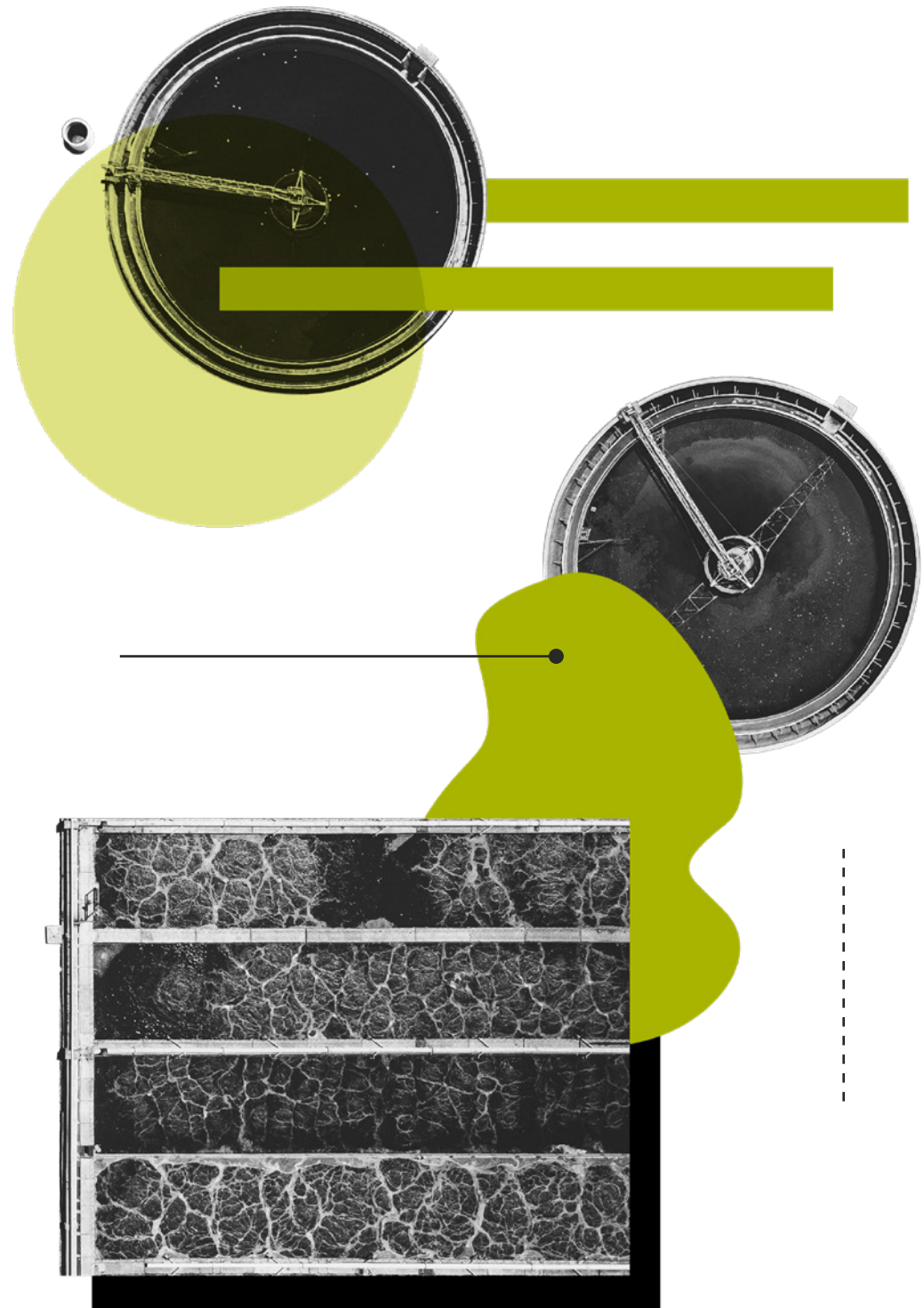
10% Energy efficiency in works machinery

Emissions compensation



Risks and opportunities management

The TCFD (Task Force on Climate-Related Financial Disclosures) recommendations enable a better understanding of the impact of climate risks and opportunities of new businesses in the company.



Risks and opportunities management

Task Force on Climate-Related Financial Disclosures (TCFD)

Ferrovial has been one of the first businesses to **implement and follow TCFD recommendations**. It has conducted an analysis and quantification of the risks and opportunities related to climate change in all the business areas and all its territories.

Climate risks

For the identification and analysis of climate risks, **three different scenarios** have been considered in terms of the degree of implementing policies to address climate change:

- **Current Policies Scenario (CPS)**. It considers the impact of those policies and the measures that are firmly based in the moment. This scenario would suggest an increase in the global temperature by 3°C to 4°C by 2100.
- **The New Policies Scenario (NPS)**. Not only does it incorporate the announcement of policies and announced measures but also the purposes of their implementation. This scenario would suggest an increase in the global temperature by 2°C to 3°C by 2100.
- **Sustainable Development Scenario (SDS)**. This scenario is consistent with the direction required for the decarbonisation of the economy in order to comply with the Paris Agreement. It considers an increase in the temperatures from pre-industrial levels of 2°C or less.

The result of the study concludes that the **short-, medium- and long-term risks** for Ferrovial are:

- **Transition risks**, related to an increase in operating costs derived from the increase of raw material prices, increase in the rates on fossil fuels, payment for the emissions produced or inclusion of some activity within the market for emission fees. Aspects such as the restrictions of policy regarding emissions, imposition of carbon taxes, water restrictions, restrictions or incentives for the use of land and changes in the demand and offer of services or interruption of operations are considered.
- **Physical risks**, associated with physical damage to the infrastructures that may cause a temporary stop to activity or a decrease in productivity in extreme climate conditions or a delay in the delivery of services and products, in addition to an increase of the insurance premium, among others.

The likelihood of physical risks happening and the financial impact are very high in the CPS scenario and are going to decrease when it moves towards the most sustainable SDS. Notwithstanding, the evolution of the transition risks is reverse. In order to manage them, associated with the risks, there are measures for the **management and reduction** of these, with the hiring of risk insurance being one of these measures.

The **climate risks** have been included in the risk matrix of the corporate system of Ferrovial Risk Management for its revision of a twice-yearly nature.



Ferrovial applies measures for the management and reduction of transition and physical risks identified from the analysis of the three climate scenarios.

Opportunities: Sustainable businesses

In terms of opportunities, the global trend towards a low-emissions economy is guiding investment and financing towards **businesses that help to fight climate change** and comply with the goals of the Paris Agreement. With this purpose, Ferrovial has been positioning itself for years as a business that offers sustainable infrastructure and services and that puts the focus on new business opportunities related to mobility, water and electrification.

Accordingly, Ferrovial has become a strategic member in achieving the goals for the mitigation of emissions and adapting to the purposes of climate change providing solutions with its **“low carbon” business models**.

Sustainable Mobility

The Ferrovial project provides **innovative solutions to the emissions problems associated with traffic in urban areas**. These solutions consider connectivity between infrastructure, vehicles and users; the shared use of vehicles and the electrification of transport and seeks to reduce the congestion and pollution of cities.

Urban Mobility Pricing

Cintra actively participates in initiatives to **reduce pollution and congestion in urban areas** in a sustainable way. It is developing an incentive strategy in the tariffs that favours the use of more energy efficient vehicles, the use of shared cars and the reduction of congestion. Therefore, citizens shall have more mobility options while reducing emissions and pollution to create more habitable cities.

“Low carbon” infrastructures

The Managed Lanes projects, the central idea of the Ferrovial strategy, has been shown to be the most efficient and least pollutant way to respond to the growing demand for urban mobility in an easy, quick and efficient way. These **motorways with Free Flow tolls** (no barriers) consist of dynamic tariffs, being able to be modified every few minutes according to the level of traffic. It also guarantees a minimum speed as well as improving driver safety and the air quality of the area.

Carbon Neutral Mobility

Zity is a shared electric car service that is rented by the minute. Ferrovial, in collaboration with Renault, has a fleet of more than 750 100% electric Renault ZOE in Madrid and 500 in the city of Paris.

These cars are **zero emissions** by being recharged with **energy coming from renewable sources**. This action is part of Ferrovial’s goal to reach 100% renewable consumption by 2025.

Wondo, integration of services

Wondo is the new start-up from Ferrovial dedicated to enabling access to citizens for the main urban mobility services in Madrid. It deals with an application that allows the user to select, compare and plan the best route through the city, to find motorbikes, bikes and shared cars nearby and hire taxis by integrating all the services. Definitively, Wondo offers the possibility of **moving about comfortably, efficiently and sustainably**.

Innovation and mobility

Ferrovial and Hyperloop Transportation Technologies (HTT) have signed a framework agreement to jointly study different opportunities to develop projects with this revolutionary means of land transport. The **hyperloop**, which is still in development, is based on a system of capsules that move on hermetically-sealed low-pressure tubes. Given that the aerodynamic resistance is very low, these capsules move through the tubes in an efficient manner. The hyperloop capsules may be designed for transporting passengers or loads and they can reach 1,200 kilometres per hour.

Another great advantage of the hyperloop is its **low energy consumption**. The vacuum that is created in the tube allows for the capsules to move quicker by not being stopped by the force of air drag. Additionally, it may be fuelled by renewable energies in order to convert it into a zero emissions means of transport.

Additionally, the company leads the **AIVIA initiative to develop connected transport corridors**. It is seeking a new generation of motorways that integrate digital technology and 5G networks, V2X connectivity, sensors, advanced analysis in order to reduce congestion and improve the traveller's experience, its safety, predictability of journey times and access to information-entertainment content from the vehicle. The connecting corridors shall consist of an essential element of connected mobility systems as the vehicles continue evolving towards total independence and in the intermediate state of high-speed "mixed" mobility, in which the independent and conventional vehicle shall survive in the same thoroughfare space.



Electrification

The company provides whole solutions for the development and management of **electric transmission networks**. It is a strong commitment to decarbonisation and energy efficiency.

Currently, Ferrovial Power Infrastructures, by means of its Transchile asset, operates a transmission line of 250km to 220kV dual circuit, belonging to the national transmission system. This transmission line allows for the transfer of **clean hydroelectric generation** from the south of Chile to the bigger consumption centres in Santiago. Additionally, thanks to the 500MVA transmission capacity in each one of its circuits located in one of the areas with the most wind potential in Chile, it is allowing for the entry of a new clean generation to the electric system, key in the decarbonisation process that is being carried out in the country.

On the other hand, the company is the owner of **two transmission assets belonging to the national transmission system**, which are currently found in the construction stage and come from the need to increase the capacity for the transmission of renewable energy coming from the north of Chile, mainly solar, towards the centre. These facilities have a capacity of 580MW per circuit.

Water

The World Economic Forum has identified water as one of the three most important challenges at global level and the United Nations estimates that 4.2 billion people do not have proper sanitation, which creates clear sanitation problems due to the increase of the contagion of infectious illnesses such as typhus or cholera, as well

as coronavirus. As such, appropriate water management is a **tool to fight against climate change and prevent sanitation problems**.

Being aware of this, Ferrovial, through its affiliate Cadagua, a **leading business in the water treatment sector**, helps to resolve these challenges with the utmost quality and respect for the environment. It relies on water treatment plants (WTPs), waste water treatment plants (WWTPs), industrial waste water treatment plants (IWWTPs), urban treatment plants for sludge thermal drying and ocean water desalination facilities (OWDF). These last ones rely on reverse osmosis technology which the company is recognised for at a global level.

Cadagua consumes 92% of its electricity from renewable sources.

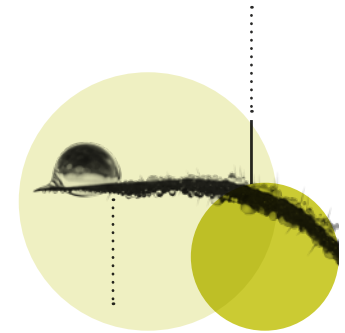
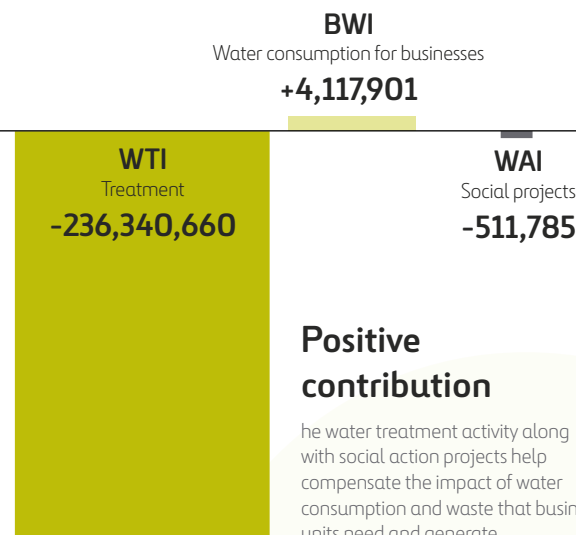
Cadagua provides water to 15.5 million inhabitants and treats the discharge of roughly 29 million people.

In order to **quantify the impact on water resources** that the company causes due to its activity, it has developed a methodology bearing in mind aspects such as the original water source, the hydric stress of the country and the water and discharges quality. The methodology is composed of three indexes:

- **Business Water Index–BWI.** It is defined as the water footprint related to water consumption and its discharge carried out during the activities developed by each one of the Ferrovia's businesses.
- **Water Treatment Index–WTI.** It is defined as the impact that Ferrovia's water footprint has on the water treatment processes completed in the Cadagua treatment plants and the leachate treatment plants.
- **Water Access Index–WAI.** It is defined as the impact that Ferrovia's water footprint has on the provision projects of water for communities in developing countries that is carried out within the Social Action projects the company participates in.

Ferrovia's goal is to reduce the BWI by 20% by 2030 and compensate the BWI by 30 times annually (WTI+WAI > 30BWI).

A reduction of 12.36% in BWI has been achieved regarding the previous year and a compensation of 57 times.



European Business Awards for the Environment given to the Water Footprint calculation methodology.

Energy efficiency

Ferrovial, as an energy services company, works with the concessionary model, providing a constant saving and continuous improvement of the customer's facilities during the length of the agreement. The application area of these contract and services models is quite expansive and addresses matters from **energy efficiency** in buildings and public lighting to industrial energy efficiency.

In the last year, the company has participated in the development of a new solution for **"Digital public lighting with NB-IOT technology"**. This technology allows for the control of all the lighting from a unique control point, allowing for turning it on and off, regulation of light levels and the consumption of each point of light. An additional 10% may be added to the savings through the individual telemanagement of lights, reaching between 65% and 85% due to the inclusion of LED lights with the existing lights. This system is already working in some places and it is expected to continue with its implementation.

Therefore, Ferrovia Construction seeks to **improve the energy efficiency of the buildings** that it constructs and rehabilitates both in the design phases, as well as the construction ones. Bioclimatic design criteria are applied, as well as innovative techniques and materials to offer innovative and different solutions to its customers.

Aspects such as the physical location and orientation of the building are considered in order to allow for cross ventilation; acclimatisation with radiant soil and the use of low enthalpy geothermics for heating, systems that re-use grey water from sinks and showers; use of recycled concrete in the structure defending sustainable materials by making the most of inert waste and avoiding the extraction of new dry remains from quarries or riverbeds; a separating system for sanitation networks, in addition to the collection and reuse of rainwater using

cisterns; vegetable plantations with low-water demand; pre-installation of recharge points for electric cars in garages or the use of LED lights and low-consumption bulbs. The different measures implemented allow for reaching **economic savings of approximately 43%**.

In 2020, it worked on the construction of **20 buildings with LED and BREEAM certifications**.

Circular economy

It is considered that the circular economy is an important element as a **new economic model in the fight against climate change**. It promotes the reduction of the use of non-renewable natural resources, the re-use of waste as raw materials, recycling, the inclusion of eco-design criteria and the awareness of citizenship, mainly. Ferrovia works on the inclusion of these principles in its internal processes and in the products and services that it offers to its customers.

This leads to the commitment to **assessing waste** in the treatment plants that include advanced robotic systems that are generating better substances in the recovery rates such as the quality of the recovered materials. Using the **Recitex project**, a technological solution has been developed, whose purpose is the material assessment of the textile waste present in the solid urban waste and obtaining a mixed material that is used in the manufacturing of new fibres and non-fabric materials.

Recently, a **new recycling plant** has been initiated in Spain with the capacity to process 50,000 tonnes of PET plastic waste per year, transforming it into raw material for industry. The plant includes the latest technologies, which minimises energy consumption and enables the re-use of water. Additionally, the PET quality obtained



in the plant has been approved for its use in food packaging by the European Food Safety Authority. This project contributes to the goals for packaging recovery by the European Commission for the European Strategy for Plastics in a Circular Economy.

Another commitment that has been worked on for years is the **biofuel assessment** originating from waste to generate renewable energy. The biomethanation plant in Valdemingómez, Madrid, deserves special mention as it is the only industrial plant in Spain to transform biofuel into neutral renewable gas (bio-methane) and insert it as clean energy into the gas network. From this plant, 100,000 MWh are inserted into the network every year, enough energy for 20,000 homes or 500 urban autobuses in Madrid.

In terms of waste collection, the commitment to **technification and intelligent management** has intensified, by including sustainable volumetric studies to optimise the truck routes in terms of filling the containers and by means of new tools for the digitalised management of processes in the operations.

Finally, Cadagua has worked on the recovery of phosphorus in the form of **struvite** present in waste water. It has achieved elimination performances regarding 80-85% of the current. The product obtained may be commercialised as fertiliser. One of the main characteristics and advantages of this process is that the spherical granulometry of struvite may be controlled and, by being subjected to a drying process, a pathogen-free product is obtained. The process is an example of a circular economy that allows the recovery of urban waste water as a valuable resource for its reuse.

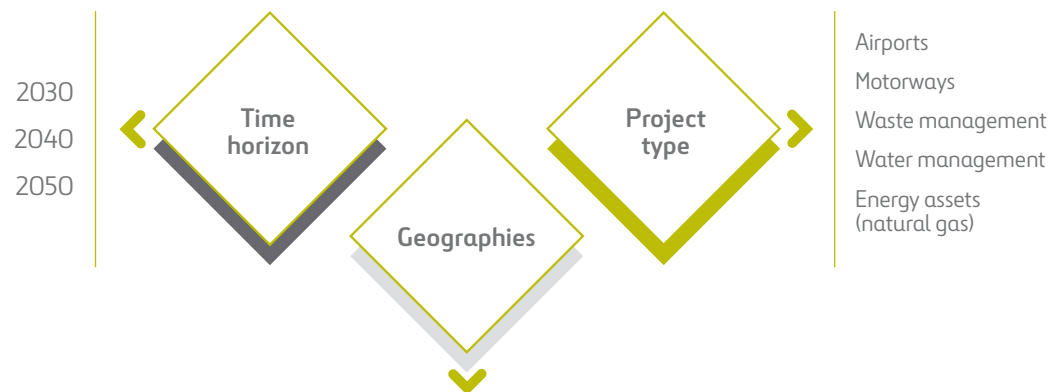


326,569 MWh
generated
through the
collection of biogas
from waste.

Shadow Carbon pricing

Ferrovial has developed a methodology to quantify the climate risk of its most important investments with the “shadow pricing” method with the aim of accelerating towards decarbonised business models.

Over the year, it has developed a **computer tool** that enables and simplifies the calculation process at the same time that it reduces the time for analysis. This tool considers variable prices for carbon by the tonne for different timelines, geographies and project types, quantifying the potential economic risk that exists in the projects in which it decides to apply the tool.



Australia – Brazil – Canada – Chile – Germany – Ireland – Mexico – Middle East
Peru – Poland – Portugal – Spain – United Kingdom – USA (general) – USA (California)

The approximate average of the price of carbon in the future:

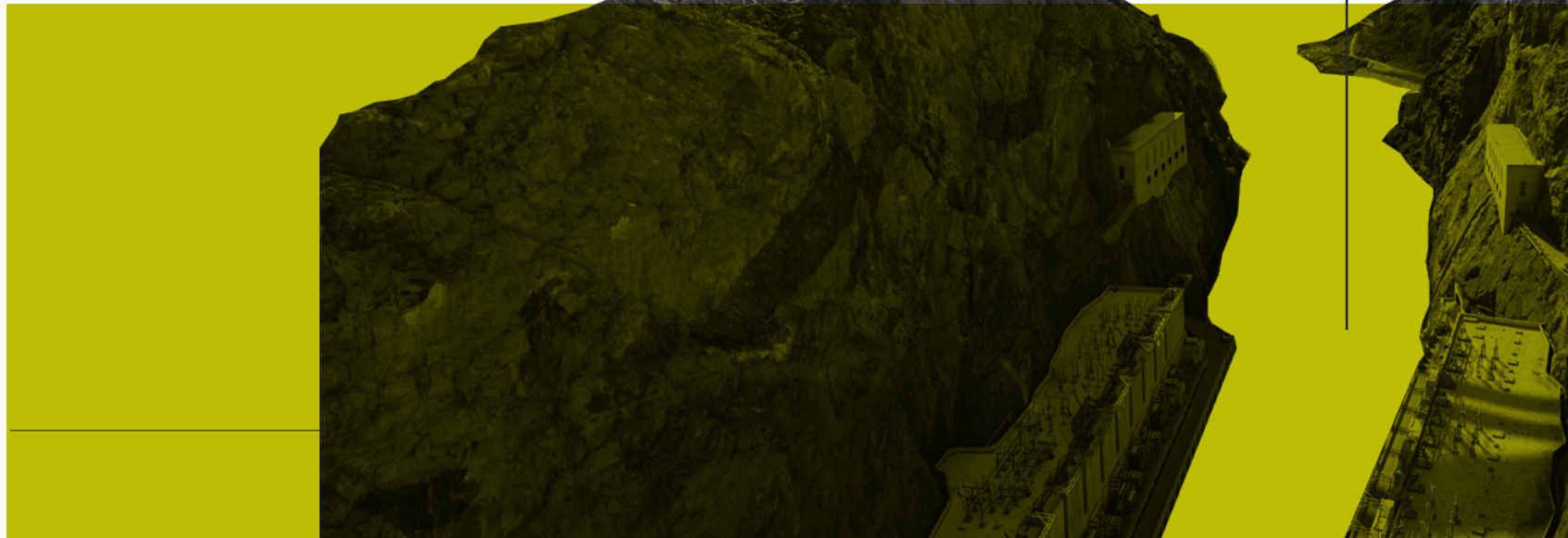
2030
€66

2040
€79

2050
€134

Metrics, goals and evolution

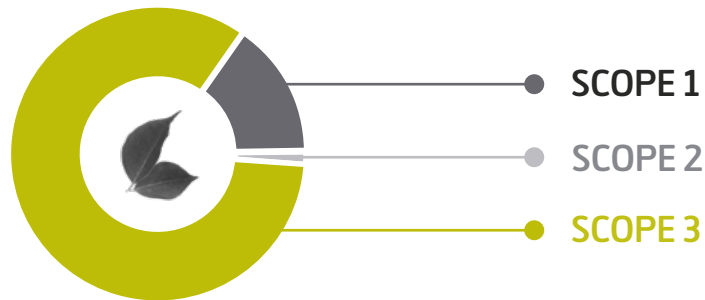
Ferrovial continues to reduce its carbon footprint, as shown by the evolution of greenhouse gas emissions, managing to comply with its established reduction goals.



Metrics, goals and evolution

2020 Greenhouse gas emissions (Scope 1&2&3)*

In absolute terms, by source type.



817,504 Scope 1 (tCO ₂ e)			
293,795 Stationary	262,449 Diffuse	261,123 Mobile	136 Fugitive
52,632 Scope 2 (tCO ₂ e)			
3,166,769 Scope 3 (tCO ₂ e)			
1,161,803 Others	1,021,374 Purchased goods and services	774,570 Investments	209,022 Use of sold product

*Data verified according to ISAE 3410.



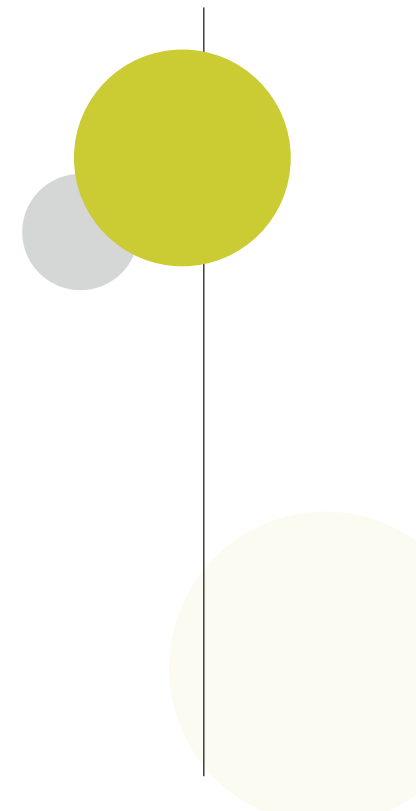
GHG emissions. Scope 1&2

Scope 1&2

In absolute terms (tCO₂ e)

		2009	2018	2019	2020	2020vs2009	2020vs2019
Scope 1&2 (tCO ₂ e)	CONSTRUCTION	251,375	246,101	227,423*	223,389	-11.13%	-1.77%
	Budimex	47,665	95,540	80,326	71,964	50.98%	-10.41%
	Cadagua	63,221	11,737	6,615*	2,562	-95.95%	-61.27%
	Ferrovial Cosntruction	74,934	92,049	95,861	99,044	32.18%	3.32%
	Webber	65,555	46,775	44,622	49,819	-24.00%	-11.65%
	CORPORATION	896	605	579	516	-42.44%	-10.87%
	Ferrovial Corporation	896	605	579	516	-42.44%	-10.87%
	INFRASTRUCTURES	26,030*	9,860	9,616	3,954	-84.81%	-58.88%
	Cintra	26,030*	9,860	9,616	3,954	-84.81%	-58.88%
	SERVICES	860,748*	667,172*	745,744*	642,263	-25.38%	-13.88%
Amey	267,290	219,240	235,778	231,792	-13.28%	-1.69%	
Broadspectrum	125,961	84,665	63,505	57,404	-54.43%	-9.61%	
Ferrovial Services	467,497*	363,267*	446,461*	353,067	-24.48%	-20.92%	
AIRPORTS	45	31	18	13	-70.16%	-24.21%	
Transchile	45	31	18	13	-70.16%	-24.21%	
TOTAL	1,139,094	923,768	983,380	870,136	-23.61%	-11.52%	

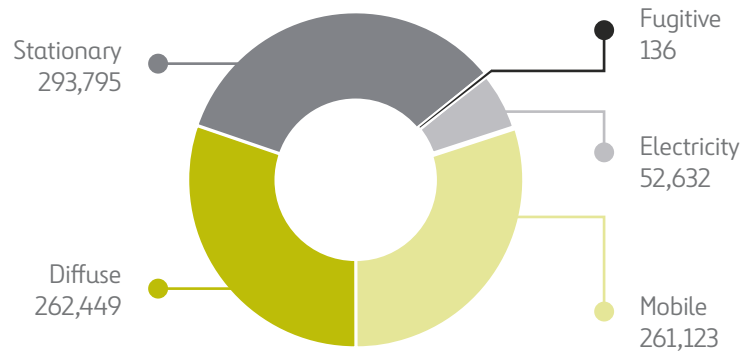
* The data has been restated due to recalculation due to adjustment in the perimeter considered.



Distribution of the 870,135 tCO₂e of Scope 1&2 by:

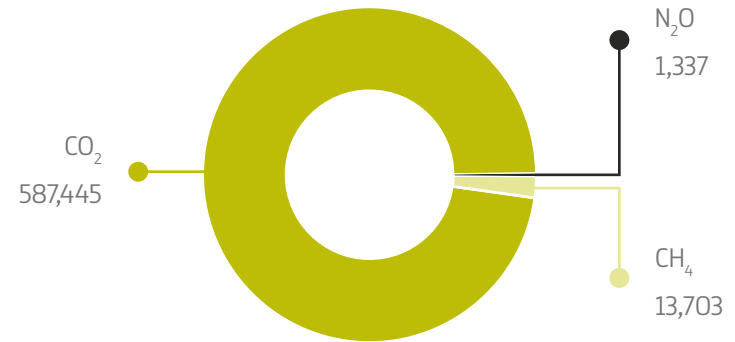
Emission source type

01



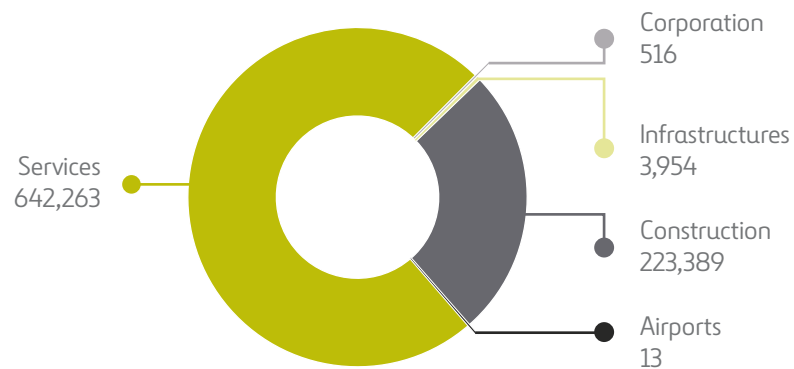
Greenhouse Gases (GHG) (t)

02



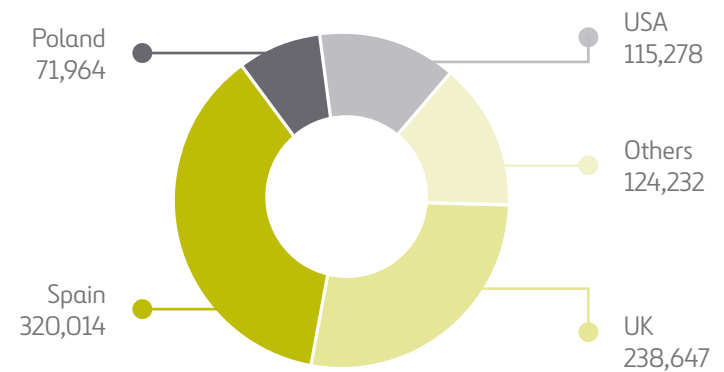
Business areas

03



Country

04



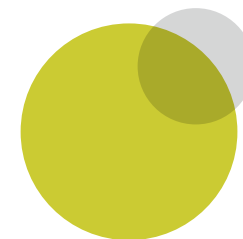
GHG emissions. Scope 1&2

Scope 1

In absolute terms (tCO₂ e)

		2009	2018	2019	2020	2020vs2009	2020vs2019
Scope 1 (tCO ₂ e)	CONSTRUCTION	163,232	199,682	192,320*	192,530	17.95%	0.11%
	Budimex	27,744	77,094	64,373	55,237	99.09%	-14.19%
	Cadagua	18,669	599	695*	467	-97.50%	-32.76%
	Ferrovial Cosntruction	61,287	81,326	85,681	90,193	47.17%	5.27%
	Webber	55,532	40,664	41,572	46,632	-16.03%	12.17%
	CORPORATION	375	260	219	151	-59.73%	-31.02%
	Ferrovial Corporation	375	260	219	151	-59.73%	-31.02%
	INFRASTRUCTURES	6,024*	2,220	2,053	2,018	-66.51%	-1.73%
	Cintra	6,024*	2,220	2,053	2,018	-66.51%	-1.73%
	SERVICES	803,462*	630,146*	720,237*	622,792	-22.49%	-13.53%
Amey	252,999	216,716	233,669	231,707	-8.42%	-0.84%	
Broadspectrum	98,015	62,539	42,177	38,292	-60.93%	-9.21%	
Ferrovial Services	452,448*	350,891*	444,391*	352,793	-22.03%	-20.61%	
AIRPORTS	41	30	17	13	-67.23%	-21.69%	
Transchile	41	30	17	13	-67.23%	-21.69%	
TOTAL	973,135	832,339	914,847	817,504	-15.99%	-10.64%	

* The data has been restated due to recalculation due to adjustment in the perimeter considered.



GHG emissions. Scope 1&2

Scope 2

In absolute terms (tCO₂ e)

		2009	2018	2019	2020	2020vs2009	2020vs2019
Scope 2 (tCO ₂ e)	CONSTRUCTION	88,143	46,419	35,103*	30,859	-64.99%	-12.09%
	Budimex	19,921	18,446	15,953	16,726	-16.04%	4.85%
	Cadagua	44,552	11,138	5,920*	2,095	-95.30%	-64.62%
	Ferrovial Cosntruction	13,647	10,723	10,180	8,851	-35.15%	-13.06%
	Webber	10,023	6,112	3,050	3,187	-68.20%	4.50%
	CORPORATION	521	345	360	365	-29.97%	1.41%
	Ferrovial Corporation	521	345	360	365	-29.97%	1.41%
	INFRASTRUCTURES	20,006*	7,640	7,563	1,936	-90.32%	-74.40%
	Cintra	20,006*	7,640	7,563	1,936	-90.32%	-74.40%
	SERVICES	57,286	37,025	25,507	19,471	-66.01%	-23.66%
Amey	14,291	2,524	2,108	85	-99.40%	-95.95%	
Broadspectrum	27,946	22,126	21,328	19,112	-31.61%	-10.39%	
Ferrovial Services	15,049	12,376	2,070	274	-98.18%	-86.76%	
AIRPORTS	4	0	1	0	-100.00%	-100.00%	
Transchile	4	0	1	0	-100.00%	-100.00%	
TOTAL	165,959	91,430	68,533	52,632	-68.29%	-23.20%	

* The data has been restated due to recalculation due to adjustment in the perimeter considered.

Comparative emissions Scope 2 (tCO₂ e)

	2009	2018	2019	2020 ³	2020vs2009	2020vs2019
Market Based ¹	165,959 ⁴	91,430 ⁴	68,533 ⁴	52,632	-68.3%	-23.2%
Local Based ²	173,586 ⁴	151,622 ⁴	133,969 ⁴	85,916	-50.5%	-35.9%

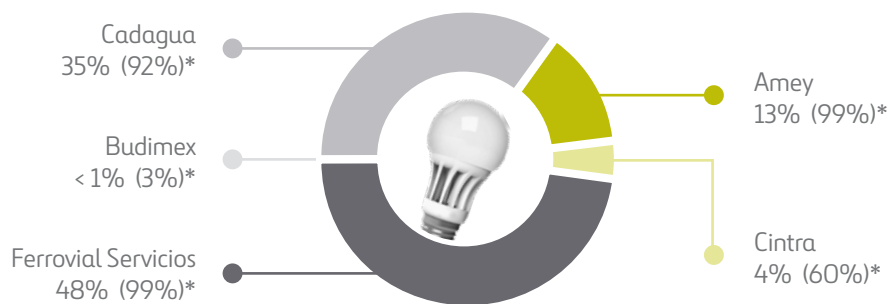
¹ **Market based** is the method used to calculate Scope 2 emissions. It takes into account the residual electricity mix for non-renewable electricity in those countries where it is available, and the conversion factor for electricity from renewable sources with an origin certificate is zero.

² **Local based** is the method used to calculate Scope 2 emissions taking into account the national electricity mix and the total amount of energy consumed.

³ In 2020, the most current emission factors from the International Energy Agency have been used.

⁴ The data has been restated due to recalculation due to adjustment in the perimeter considered.

Distribution of renewable electricity consumption by company



* The first percentage of each value indicates the percentage of renewable electricity consumption by each company with respect to the total renewable electricity used by the Group. The percentages in parentheses indicate the consumption of renewable electricity with respect to the total electricity consumed by the company itself.



68%

of the electricity consumed comes from renewable sources.

GHG emissions. Scope 1&2

Scope 1&2

In terms of intensity (tCO₂e/€ million)

	2009	2018	2019	2020	2020vs2009	2020vs2019
Construction	46.22	47.59	43.20*	43.07	-6.8%	0%
Corporation	10.43	175.56	46.87	72.86	598.6%	55%
Infrastructures	60.26*	17.36	15.61	10.12	-83.2%	-35%
Services	230.75*	98.36*	105.04*	108.35	-53.0%	3%
Airports	6.29	4.69	2.60	2.00	-68.2%	-23%
TOTAL	162.36	74.13	75.55	72.01	-55.65%	-5%

* The data has been restated due to recalculation due to adjustment in the perimeter considered.

The intensity data reflects the uncoupling between emissions and company growth.

Energy consumption (MWH)

Fuels used in stationary and mobile sources.

	2009	2018	2019	2020	2020vs2009	2020vs2019
Diesel	1,526,556	1,443,382	1,258,574	1,245,044	-18%	-1%
Fuel	95,668	27,418	38,130	27,931	-71%	-27%
Petrol	202,560	129,004	162,694	179,128	-12%	10%
Natural gas	242,958	72,373	84,546	66,257	-73%	-22%
Coal	0	158,488	100,473	74,667	–	-26%
Kerosene	4,331	609	554	2,927	-32%	428%
Propane	4,872	7,703	6,332	5,826	20%	-8%
LPG	3,276	1,833	1,904	1,415	-57%	-26%
TOTAL	2,080,221	1,840,811	1,653,207	1,603,195	23%	-3%

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Energy consumption (MWH)

Consumption of electricity from non-renewable sources.

	2009	2018	2019	2020	2020vs2009	2020vs2019
Construction	211,603	95,185	72,666	59,494	-72%	-18%
Corporation	1,489	1,131	1,178	1,066	-28%	-9%
Infrastructures	63,909	17,140	17,045	5,250	-92%	-69%
Services	121,873	87,633	52,356	36,364	-70%	-31%
Airports	8	1	1	0	-100%	-100%
TOTAL	398,881	201,089	143,244	102,174	-74%	-29%

Consumption of electricity from renewable sources.

	2009	2018	2019	2020	2020vs2009	2020vs2019
Construction	167	124,773	90,320	76,307	45,722%	-16%
Corporation	0	1,114	1,127	7,877	—	599%
Infrastructures	7,159	63,205	121,830	130,457	1,722%	7%
Services	0	0	0	0	—	—
Airports	0	0	0	0	—	—
TOTAL	7,325	189,092	213,278	214,641	2,830%	1%



Evolution of emissions

The goal of Ferrovial, supported by SBTi, establishes the reduction of Scope 1&2 emissions by 32% in absolute terms (tCO₂e) and 42.9% in intensity (tCO₂e/€ million) by 2030 in relation to 2009, which is the base year. **The reductions reached have been above the goals established during the year**, surpassing the yearly reduction goal of 16.76% in total and 22.47% in intensity.

In 2020, **Scope 1&2 emissions have been reduced by 23.61%** in absolute terms **and 55.65%** in intensity against the base year. It means a reduction of 11.52% and 4.68%, respectively, of tCO₂e compared with the previous financial year.

Numerous initiatives have been implemented to achieve these results, aligned with the **Deep Decarbonization Path plan**:

- **Consumption of electric energy from a renewable source:** the company promotes the purchase of electrical energy with a guarantee of origin and progressively advances towards the goal of 100% by 2025, established in the Horizon 24 Plan.

In 2020, 68% of the electricity consumed was produced from renewable sources, almost reaching 100% in *Ferrovial Servicios España*, *Amey* and *Cadagua*.

- **Fleet of efficient vehicles:** the majority of the fleet is managed by means of agreements from three years ago, which has allowed for a complete renewal of the fleet by efficient vehicles, causing a substantial and continued reduction in the emission levels. More efficient vehicles continue to be included in the fleet, with the goal of reaching **33% zero emission vehicles in the fleet** in 2030, as established in the Deep Decarbonization Path plan for our strategy.

At *Ferrovial Servicios España*, the **Smart Fleet programme** is developed, which includes a group of initiatives that intend to optimise the use of the fleet (more than 10,000 vehicles) and provides a differential value in the contracts. Currently, 16% of the fleet is connected to GEOTAB on-board technology which monitors the activity in terms of consumption efficiency/reduction and improvement of security, and 56% is connected to the Taller software (OMEGA project) monitoring the life cycle in terms of the improvement of maintenance and the renewal proposals by more sustainable vehicles. The goal is reaching 85% of the fleet connected in 4 years.

- **Inclusion of energy efficiency measures** in the buildings, asphalt plants and work machinery.
- **Commitment to innovation** aimed at technological developments which help to avoid emissions.

In 2020, part of the decrease in activity may be associated with the COVID-19 pandemic. However, the reduction of emissions by 11.52% is greater than the decrease of the net amount of the business figure that is around 7.2%. Because of this, it can guarantee that the measures implemented are giving good results.

Looking in detail at the evolution in the businesses, the most noteworthy facts for the year are:

- **Construction.** In this area, there is a clear uncoupling between growth and emissions. **Emissions have decreased by 1.77% in relation to the previous year**, still billing around 9% more. It has produced an increase of in-house work execution in the United States, something that has caused an increase of emissions from Scope 1. The decrease in the consumption of



23.61%
reduction
of emissions
in absolute
terms and
55.65%
in intensity.

carbon in asphalt plants in Poland should also be highlighted in relation to the decrease in demand.

In the construction sector, the energy demand is strongly tied to the type of work and in-house or sub-contracted work execution. As a result, it is making a firm commitment to the **implementation of energy efficiency measures**.

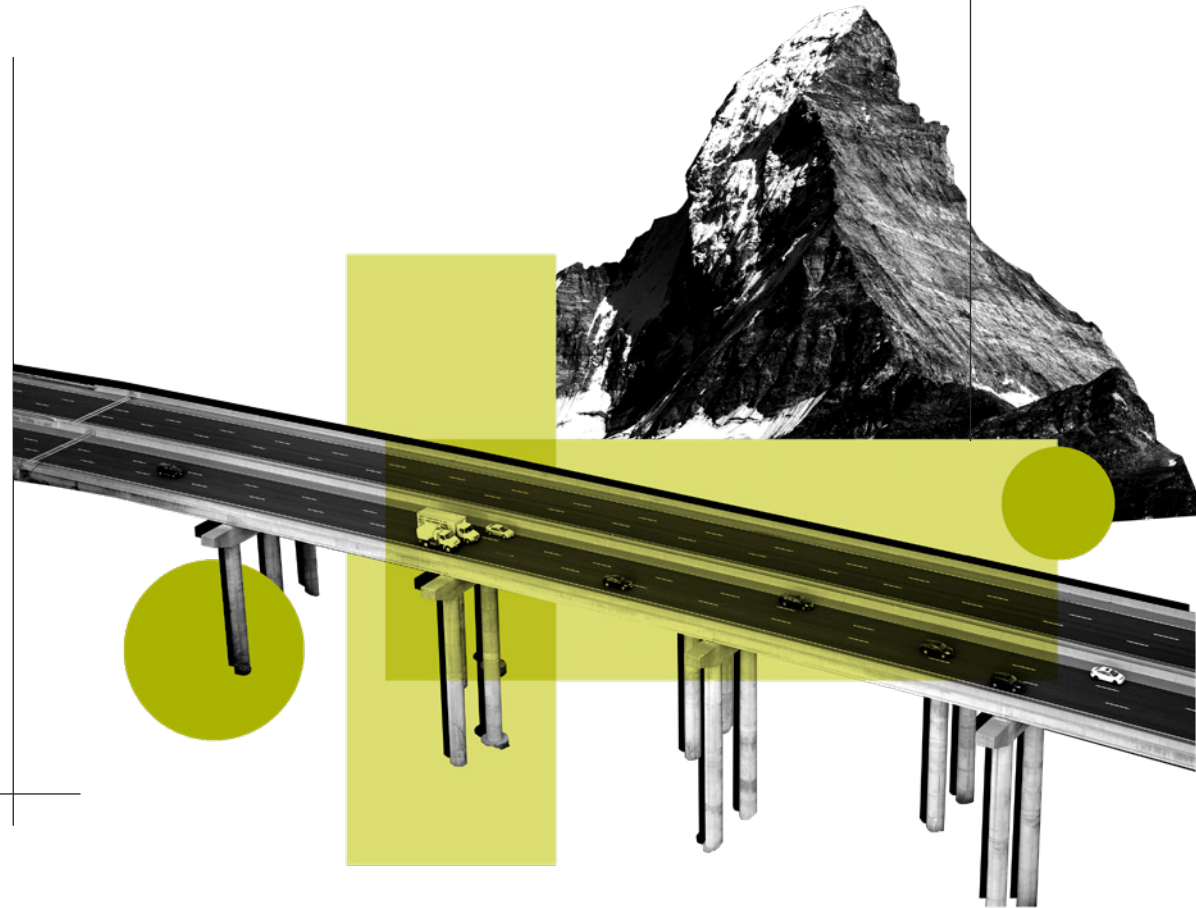
- **Services.** This area **has reduced its emissions in relation to the previous year by 13.88%** in line with a decrease in activity but also thanks to the great commitment shown in the purchase of renewable electricity reaching almost 100%, the renewal of the fleet, the decrease of diffuse emissions in landfills to collect more channelled biofuel and the reduction of waste destined for the landfill.

Just 30% of the group's emissions come from the diffuse emissions (biofuel) associated with landfills on property and they have a high repercussion regarding the entire footprint, given that the CH₄ emissions have a greater potential for warming than CO₂. Thanks to the technology used and the improvement in the biofuel collection processes, this year **landfill emissions have been reduced by 25%** in relation to the previous year and it has generated 19.68% more electricity because of the collection (this electricity comes from the recovery and assessment of biofuel and incinerating plants).

- **Motorways.** This area has decreased its emissions in relation to the previous year by 58.88% due to a decrease in activity, a result of the mobility restrictions derived from the

COVID-19 pandemic, but also the hiring of **electricity originating from renewable sources** in some of the motorways in the United States and the implementation of lighting efficiency measures.

As with the previous cases, the lowering of emissions is greater than expected for the decrease in activity.



GHG emissions. Scope 3

Scope 3

In absolute terms (tCO₂e)

		2012	2018	2019	2020	2020vs2012	2020vs2019
Scope 3 (tCO ₂ e)	Investments**	1,364,386*	995,582*	864,782*	774,570	-43.23%	-10.43%
	Purchased goods and services	1,756,724*	1,114,191*	1,102,148*	1,021,374	-41.86%	-7.33%
	Use of sold product	478,824*	436,067*	499,904*	209,022	-56.35%	-58.19%
	Capital Goods	569,407	314,611	118,081	411,535	-27.73%	248.52%
	Upstream transportation and distribution	560,420*	498,210*	477,374*	475,720	-15.11%	-0.35%
	Waste generated in operations	191,948	140,808	141,389	125,990	-34.36%	-10.89%
	Fuel and energy related activities	191,927	178,902	136,217	121,965	-36.45%	-10.46%
	End of life treatment of sold products	57,368*	40,708*	31,667*	23,152	-59.64%	-26.89%
	Business travel	6,606	8,334	7,232	1,796	-72.82%	-75.17%
	Upstream leased	1,405	0	0	—	—	—
Employee commuting	792	1,821	1,763	1,645	107.74%	-6.70%	
		5,179,806	3,729,233	3,380,558	3,166,769	-38.86%	-6.32%

* The data has been restated due to recalculation due to adjustment in the perimeter considered.

** Of the invested investments, there are emissions derived from Cintra's investments in motorways without operational control, which amount to 213,345 tCO₂e. Additionally, emissions related to investments in British airports are accounted for, of which, at the date of the publication of this report, the data corresponding to 2020 are not available, so 2019 emissions have been considered, being a total of 561,225 tCO₂e.

Evolution of emissions

Our goal, sponsored by SBTi, also considers reducing our Scope 3 emissions by 20% in absolute terms (tCO₂e), excluding capital assets, acquired assets and services, by 2030 regarding 2012. **The reductions reached have been greater than the goals established in the year**, surpassing the yearly established goal of 8.8% in absolute terms.

In 2020, **the emissions of Scope 3 have been reduced by 38.86% in absolute terms** regarding the base year. It leads to a reduction of 6.32% of tCO₂e in relation to the previous financial year due to a decrease in activity and the measures implemented throughout the year:

- **Investments.** This category includes the emissions of the participation of Ferrovial in airports and motorways in which there is no operational control. In both cases, the effects of the COVID-19 pandemic, especially the measures restricting mobility, have had an important impact on these assets in 2020. Therefore, the emissions associated with motorways have decreased by 10.43% regarding the previous year.

Heathrow, Southampton, Glasgow and Aberdeen airports are committed to **operating according to strict sustainability criteria**, promoting economic and social development and starting initiatives that allow for the minimisation of its impact in the environment. The energy efficiency and mobility measures applied have managed to reduce emissions in recent years, reaching a **reduction of 31.06%** in relation to the base year.

Heathrow, the main airport, has committed to being a **“zero carbon”** airport by the middle of 2030 and it is working on a plan named **“Target Net-Zero”** to decarbonise the airport and flights and help the industry reach this goal by 2050. To

do so, it is working with airlines, industry members and government organisations to continue advancing in the development of sustainable alternative fuel and support the development of technologies that allow for the reduction of emissions from flights. All the terminals operate with energy coming from 100% renewable sources and currently 96% of the fleet of vehicles is electric or hybrid.

The other three airports have performed an in-depth review of their environmental impacts and they have implemented an Environmental Management System aligned with the ISO 14001 regulations. Additionally, they have reached the status of **carbon neutrality in 2020** and more than 200 airports have joined together throughout Europe to sign this NetZero 2050 commitment of the Airports Council International Europe. For its part, Glasgow Airport has been chosen as the best airport by Global Environmental, Social and Governance Benchmark, achieving, alongside Aberdeen, a 5-star rating due to its sustainability effort. Glasgow, Aberdeen and Southampton have obtained the first, second and third positions, respectively, within the category of Airports, both at national and European level.

- **Purchased goods & services.** The reduction of emissions by 7.33% comes from a decrease in the purchase of steel, material that has a great impact on this category.
- **Use of sold products.** The 58.19% decrease of emissions in this category is associated with a decrease in traffic on motorways which have operational control. The company considers that electrification in transport, connectivity among infrastructure, vehicles and users, innovation in operation and traffic management and, in general, the new mobility models will help to **reduce congestion and emissions** from



**38.86%
reduction
in total
Scope 3
emissions.**

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vehicles that use this infrastructure. Additionally, the application of incentives in the application of tariffs may favour the use of less-polluting vehicles and better occupation reducing transport emissions.

- **Capital Goods:** This category is highly linked to investments in machinery and equipment that has considerably increased due to an increase of these purchases.
- **Upstream transportation & distribution.** Reduction of 0.35% associated with the light decrease of the purchase of some goods and services.
- **Waste generated in operations.** Decrease of 10.89% in the emissions in line with the reduction of production. In order to minimise this impact, it is working on the **inclusion of the principles of the circular economy** in all its processes, products and services, by means of the reduction of the use of non-renewable natural resources, the re-use of waste as raw material, recycling, the inclusion of eco-design criteria or the sensitivity of citizens.

Ferrovial has consolidated the inclusion of circular economy principles in its processes, products and services. In order to avoid and minimise the generation of waste, it encourages the use of renewable natural resources and, as much as possible, their recovery for use as raw materials. The Construction activity has established an annual goal of reusing 80% of land, as well as 70% in Construction and Demolition Waste (CDW). In all the projects, the re-use in works is prioritised, since not only new raw materials are thus stopped from being consumed, but it also allows for the reduction of emissions associated with transport.

- **Fuel and energy related activities.** The implementation of energy efficiency measures has caused a decrease in energy consumption while the increase of purchasing electricity from renewable sources has favoured the reduction of emissions in this category by 10.46%.
- **End of life treatment of sold products.** A reduction of the emissions due to the decrease in the volume of materials used in infrastructure construction.
- **Business travel.** A strong drop in emissions is associated with the prohibition of the movement of people.
- **Upstream leased.** Operational control has been lost regarding electricity used by the company's customers. Because of this, this category has not been reported in recent years.
- **Employee commuting.** A decrease of 6.7% is associated with the effects of the pandemic.



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“Biogenic CO₂” emissions

Thanks to the use of technology and improvements in the biofuel collection processes, **landfill emissions have been reduced by 25%** this year in relation to the previous year and it has generated

19.68% more electricity as a result of the collection (this electricity comes from the recovery and assessment of biofuel and the incinerating plants).

	2009	2018	2019	2020	2020vs2009	2020vs2019
Construction	768	51,935	54,678	52,390	6,720%	-4%
Services	729,776	736,842	733,912	941,046	29%	28%
	730,544	788,777	788,590	993,436	35.99%	25.98%

Emissions avoided

	2009	2018	2019	2020
Fleet renewal	2,489	5,026	5,498	11,025
Purchase of renewable electricity	4,543	51,107	55,891*	62,184
By triage and capture of bigas in landfills	710,056	1,474,837	1,678,298	1,699,737
By capturing biogas in water treatment plants	0	420,360	422,724	398,678
By power generation in landfills	44,271	98,886*	75,610*	88,993
By power generation in water treatment plants	18,603	39,511	34,429	45,533
	779,961	2,089,727	2,272,450	2,306,150

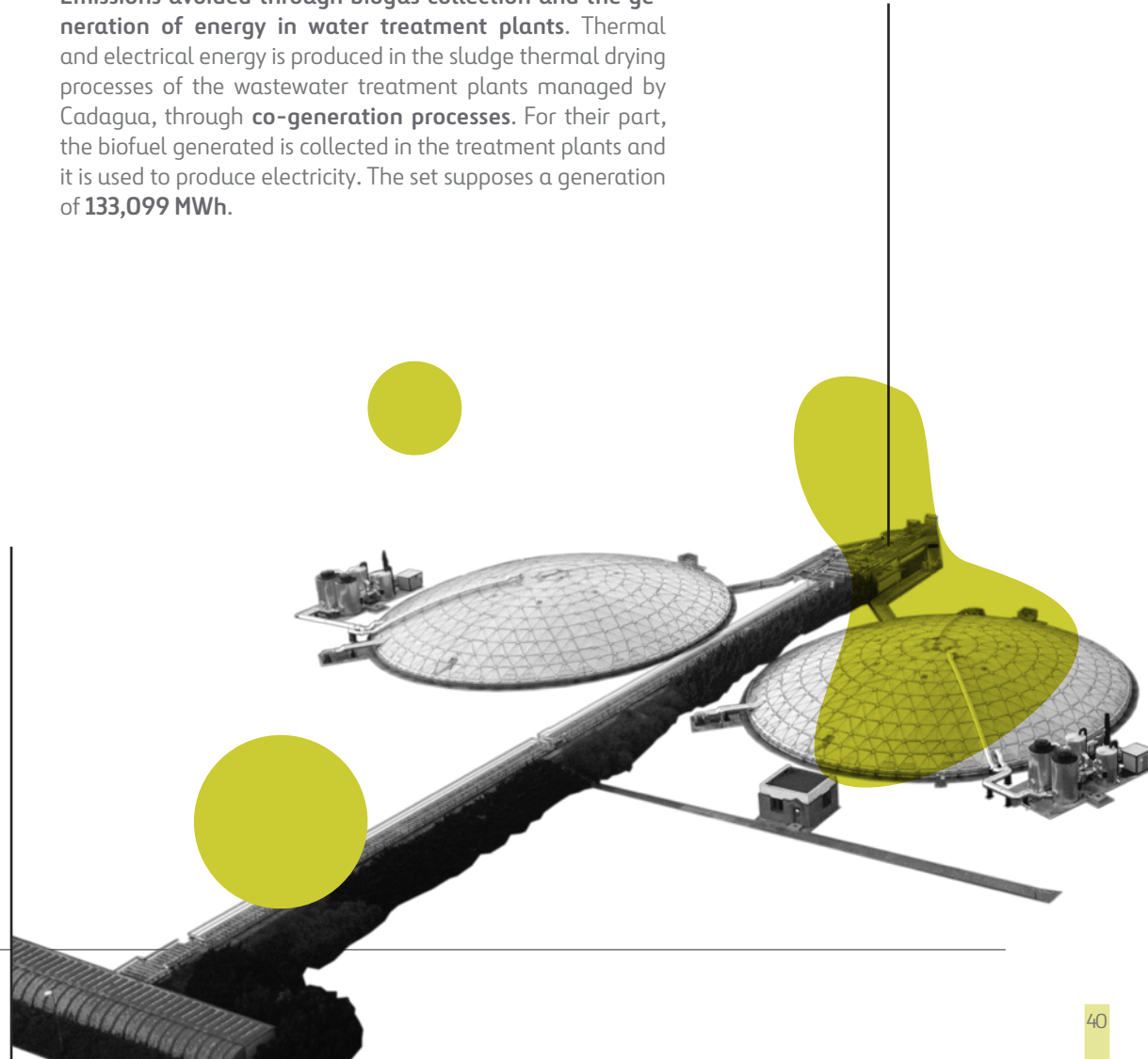
* The data has been restated due to recalculation due to adjustment in the perimeter considered.

The main emission reduction bags are associated with:

- **Fleet renewal.** The majority of the fleet is managed by means of agreements from three years ago, which has allowed for a complete renewal of the fleet with efficient vehicles, causing a substantial and continued reduction in the emission levels. The goal is to have **33% of zero emission vehicles in the fleet** by 2030, as established in the Deep Decarbonization Path plan for our strategy.
- **Purchase of renewable electricity source.** 68% of the total electricity consumed comes from renewable sources, 85% being purchased and 15% self-consumption.
- **Emissions avoided in sorting activity and biofuel collection in landfills.** Regarding the management of waste through sorting activity, assessment is prioritised over removal, with the goal of reducing the amount of refuse that is deposited in the landfill and that, as such, creates greenhouse gas (GHG) emissions. When the final waste is deposited in the landfill, biofuel emissions are caused due to their decomposition. This biofuel is collected by means of collection nets to avoid the direct emission of methane (CH_4) into the atmosphere and enable their use through energy production. The company trend is to undertake a constant investment in technology both in sorting activity as well as **biofuel collection** which has allowed GHG emissions to reduce in recent years.
- **Emissions avoided through the generation of energy in landfills.** The biofuel collected in the landfills, mainly methane, is used in co-generation plants for electricity production and thermal energy. In 2020, among the landfills and treatment plants of Ferrovial Services and Amey, **326,568 MWh of energy from renewable sources** have been generated.

Through the collection process, not only is GHG emission to the atmosphere avoided but it also generates energy proceeding from renewable sources.

- **Emissions avoided through biogas collection and the generation of energy in water treatment plants.** Thermal and electrical energy is produced in the sludge thermal drying processes of the wastewater treatment plants managed by Cadagua, through **co-generation processes**. For their part, the biofuel generated is collected in the treatment plants and it is used to produce electricity. The set supposes a generation of **133,099 MWh**.



Emissions neutrality and compensation

In “Deep Decarbonization Plan”, Ferrovial establishes progressive compensation until reaching neutrality, from 2020 to 2050, excluding services. In the last five years, it has begun compensating 2% of emissions and it shall increase until reaching 10% in 2025.



Emissions neutrality and compensation

The company has committed itself to achieving **emission neutrality by the middle of the century**, through the reduction of emissions and compensation for those that are unavoidable. This is done with voluntary carbon compensation projects, which should be additional, permanent, rigorous, verifiable and unique and they should have an impact on the communities and the environment.

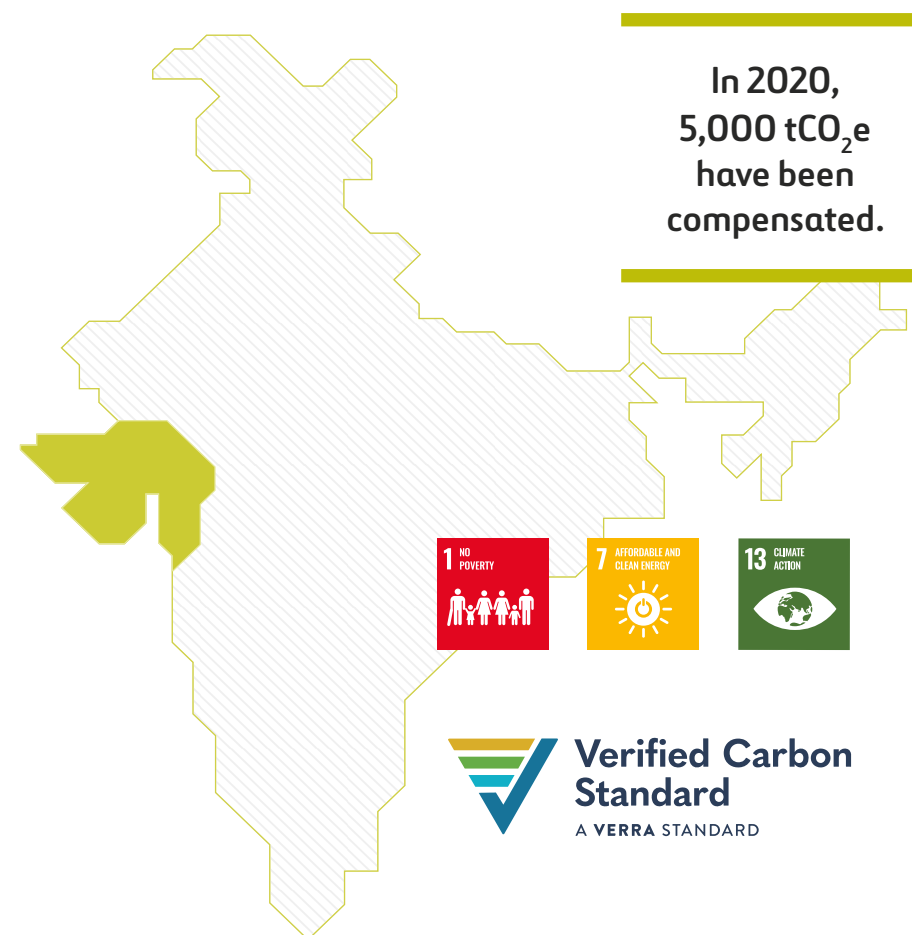
Electric Generation Project based on Wind Energy in Gujarat (India)

This project is chosen to compensate the emissions forecast for the next five years. Its purpose is to **generate electric energy using wind sources** and to power it with production generated from the Gujarat local network to contribute to climate change mitigation efforts. It is predicted that the activity of the project shall produce approximately 348,210MWh of renewable energy yearly for the country's Central Network.

SDGs 1, 7 and 13 are impacted by this activity by achieving the following benefits:

- **Creation of local employment:** both in construction services as well as maintenance associated with the project. Additionally, the staff of the region has been trained during the project for the optimal undertaking of its activity.
- **Improvement of the district's sustainable development,** encouraging a plan to combat drought and improve the quality of drinking water and its storage through a Corporate Social Responsibility strategy.
- **Improvement of the environment:** it encourages the Hariyali environmental preservation programme, which is based on the planting of native trees and the preservation of water sources.

- **Health and education:** grants are awarded for basic and advanced vocational training, as well as medical facilities and equipment.
- **Reduction of emissions:** 326,203 tCO₂e are reduced annually.



Reforestation works, absorption projects and emission compensation in Torremocha de Jarama (Madrid, España)

Thanks to the **Compensa** project which carries out **forest restoration** tasks in burnt or agricultural areas with the purpose of absorbing and compensating emissions. This initiative is carried out in Torremocha de Jarama, in Madrid, and it seeks to recover the vegetation of an agricultural area lacking in trees, making it a **CO₂ absorption forest**. With its development, it shall repopulate 7.7 hectares in three years (4.8 in 2019, 1.8 in 2020 and 1.1 in 2021). A total of **4,000 trees** shall be planted, which shall absorb **2,000 tonnes of CO₂** in the next 50 years.

In addition to supporting the fight against climate change and being a key initiative in **environmental** material, the project is also **social**: it has provided work for **10 local people** every year, giving priority to those who are found in an unfavourable situation or who belong to groups at risk of exclusion. All of these receive training and are tasked with replanting their own forest, reaching an added social value in their work.

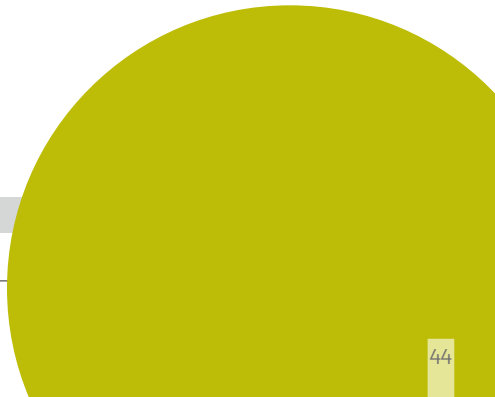
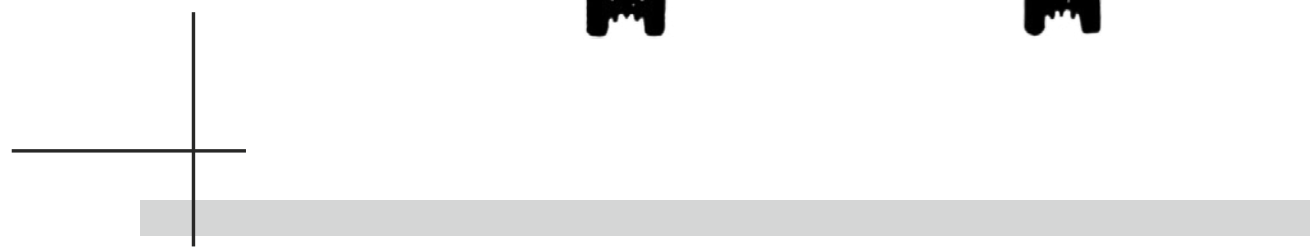
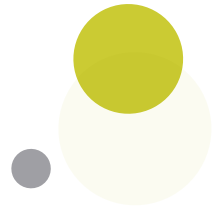
Thanks to this project, the Spanish Climate Change Office (OECC), part of the Ministry for Ecological Transition and Demographic Challenge, has recognised Ferrovia for its **compensation** work. Therefore, the company achieves the maximum acknowledgement reached with its work due to **“Calculate”, “Reduce” and “Compensate”**, which positions it as an agent committed to the fight against climate change.

Biodiversity

Ferrovia is developing a **methodology to quantify the impact its activity** has on biodiversity in terms of affected units on eco-systemic services per hectare, considering not only the impact on species or the environment but also the function that they develop.



Conclusions



Conclusions



01

The **Climate Strategy** is included in the Corporate Strategy.

02

Goal of **reducing Scope 1&2&3 emissions** supported by SBTi.

03

Goal of reaching **100% renewable electricity** by 2025.

04

Goal of reaching **neutrality** by the middle of the century.

05

Complying with the established roadmap in the compliance of our goals.

06

100% of emissions verified according to NIEA 3410.

07

The recommendations of the **Task Force on Climate Financial Disclosure** have been included in our reports.

08

Risks and Opportunities related to Climate Change analysed and included in the corporate risks system.

09

Decarbonising the economy with our products and services.

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Ferrovial Corporación, S.A. and its subsidiaries

Independent limited assurance report
Greenhouse Gas (GHG) statement
31, December 2020



This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent limited assurance report On Greenhouse Gas (GHG) statement

To the Management of Ferrovial Corporación S.A.:

Scope of work

We have undertaken a limited assurance engagement of the GHG statement of Ferrovial Corporación, S.A. and its subsidiaries Budimex, Cadagua, Ferrovial Construcción, Webber, PLW, Cintra, Amey, Broadpectrum, Ferrovial Servicios and Transchile (hereinafter referred to as "Ferrovial") for the financial year ended December 31, 2020, included in the Appendix of this report. This engagement was conducted by a team of sustainability and climate change assurance practitioners.

Responsibility of Ferrovial's management

Ferrovial's management is responsible for the preparation of the 2020 GHG Statement in accordance with their internal procedure, "Calculation and Report of Carbon Footprint" of Ferrovial, which is described in the report 'Ferrovial Climate Strategy 2020', available on the following website <https://www.ferrovial.com/en-us/sustainability/environment/carbon-footprint/>. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of a GHG statement that is free from material misstatement, whether due to fraud or error.

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the GHG Statement based on the procedures we have performed and the evidence obtained. We conducted our limited assurance engagement 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) of the International Federation of Accountants (IFAC). That standard requires that we plan and perform this engagement to obtain limited assurance about whether Ferrovial's 2020 GHG Statement is free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3410 involves assessing the suitability in the circumstances of Ferrovial's use of applicable criteria as the basis for the preparation of the GHG statement, assessing the risks of material misstatement of the GHG statement whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the GHG statement. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

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R. M. Madrid, hoja 87.250-1, folio 75, tomo 9.267, libro 8.054, sección 3ª
Inscrita en el R.O.A.C. con el número S0242 - CIF: B-79 031290



The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Through inquiries and meetings with personnel of Ferrovial's various departments who have been involved in the preparation of the GHG Statement, obtained an understanding of Ferrovial's control environment and information systems relevant to emissions quantification and reporting, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness.
- Evaluated whether Ferrovial's methods for developing estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Ferrovial's estimates.
- Verified, through analytical and substantive tests based on the selection of a sample, the information (activity data, calculations and information generated) used to determine Ferrovial's 2020 GHG Statement and the correct compilation of information based on the internal procedure.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained if we had performed a reasonable assurance.

Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which includes independence and other ethical requirements founded on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behaviour.

The firm applies the International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention which may lead us to believe that Ferrovial's GHG Statement for the financial year ended December 31, 2020 is not prepared, in all material aspects, in accordance with the internal procedure "Calculation and Report of Carbon Footprint" of Ferrovial, which is described in the report 'Ferrovial Climate Strategy 2020'.

Use and distribution

Our report is only issued to the Management of Ferrovial Corporación S.A. in accordance with the terms and conditions of our engagement letter. We do not assume any liability to third parties other than Ferrovial's Management. This report has to be read jointly with the Appendix attached in this report and the document 'Ferrovial Climate Strategy 2020'.

PricewaterhouseCoopers Auditores, S.L.

Original in Spanish signed by Pablo Bascones

Pablo Bascones Ilundain

March 15th, 2021

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Appendix

GREENHOUSE GAS (GHG) STATEMENT CORRESPONDING TO THE YEAR ENDED DECEMBER 31, 2020

Of Ferrovial Corporación, S.A. and its subsidiaries Budimex, Cadagua, Ferrovial Construcción, Webber, PLW, Cintra, Amey, Broadspectrum, Ferrovial Servicios and Transchile

2020 GHG Statement	tCO ₂ -eq
Scope 1	817,504
• Construction	192,530
• Corporation	151
• Infrastructures	2,018
• Services	622,792
• Airports	13
Scope 2	52,632
• Construction	30,859
• Corporation	365
• Infrastructures	1,936
• Services	19,472
• Airports	-
Scope 3	3,166,769
1. Purchased goods & services	1,021,374
2. Capital goods	411,535
3. Activities related to fuel and energy not included in Scopes 1 and 2	121,965
4. Upstream transportation & distribution	475,720
5. Waste generated in operations	125,990
6. Business travel	1,796
7. Employee commuting	1,645
8. Upstream leased assets ¹	N/A
9. Downstream transportation & distribution ¹	N/A
10. Processing of sold products ¹	N/A
11. Use of sold products	209,022
12. End of life treatment of sold products	23,152
13. Downstream leased assets	0
14. Franchises ¹	N/A
15. Investments ²	774,570
Biogenic CO₂	993,436

¹ It is considered that these categories suggested by GHG Protocol in the standard "Corporate Value Chain (Scope 3) Accounting and Reporting Standard", do not apply to Ferrovial's activities.

² Regarding the investments category, there are emissions derived from Cintra's investments in highways without operational control, being a total of 213,345 tons CO₂eq. Additionally, emissions related to investments in UK airports are considered for this category of investments in subsidiaries. At the date of publication of this report, data for 2020 is not available and therefore 2019 emissions have been considered, being a total of 561,225 ton CO₂eq.

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Ferrovial's GHG Inventory 2020 has been calculated based on the following energy consumption:

Energy consumption in absolute value 2020	GJ
Fuels used in stationary and mobile sources	5,771,497
• Diesel	4,482,155
• Fuel	100,551
• Petrol	644,860
• Natural Gas	238,525
• Coal	268,802
• Kerosene	10,538
• Propane	20,972
• LPG	5,094
Non-renewable electricity consumption	367,825
• Services	214,178
• Construction	3,837
• Motorways	18,901
• Corporation	130,909
• Airports	0
Renewable electricity consumption	772,706
• Services	274,704
• Construction	28,356
• Motorways	469,646
• Corporation	0
• Airports	0

Criterion of quantification

Ferrovial's 2020 GHG Statement has been prepared in accordance with the internal procedure 'Calculation and Report of Carbon Footprint', which is described in the report 'Ferrovial Climate Strategy 2020'.

The report is available on the following website link <https://www.ferrovial.com/en/our-commitment/environment/carbon-footprint/>

Scope

The companies within the scope of this GHG Inventory are Ferrovial Corporación S.A. and its subsidiaries Budimex, Cadagua, Ferrovial Construcción, Webber, PLW, Cintra, Amey, Broadspectrum, Ferrovial Servicios and Transchile.

In addition, the categories of this Inventory are listed in the table "2020 GHG Statement" at the beginning of this Appendix.

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Since 2009, Ferrovial has been measuring 100% of the greenhouse-gas emissions generated by its activities worldwide. The calculation methodology is mainly based on the GHG Protocol (WRI & WBCSD) as it is the most widely accepted on an international level, while complying with ISO14064-1. However, other methodologies have been used to take into account specific business aspects, e.g. the DEFRA and DECC methodologies for UK operations and the EPER methodology for estimating diffuse emissions from landfills.

The calculation considers operational control as an organizational boundary. Under this approach, a company accounts for emissions from those sources over which it has full authority to introduce and implement its operational policies, regardless of its shareholding in the company.

The GHG emissions generated by Ferrovial's activities are classified as follows:

- **Direct emissions (Scope 1).** Those from sources owned or controlled by the company. They mainly come from:
 - **Combustion of fuels** in stationary equipment (boilers, furnaces, turbines...) to produce electricity, heat or steam. Combustion of fuels in vehicles owned or controlled by the company.
 - **Diffuse emissions.** Those not associated with a particular emission source, such as biogas emissions from landfills.
 - **Channelled emissions.** Greenhouse gas emissions generated through a source, excluding those from fuel combustion.
 - **Fugitive emissions.** Coolants.
- **Indirect emissions (Scope 2).** Generated as a result of the consumption of electricity purchased from other companies that produce or control it. The "GHG Protocol Scope 2 Guidance" published in January 2015 and the "Market based" method instead of the "Local based" method has been followed. "Market based" considers the supplier's energy mix and "Local based" takes into account the country's energy mix.
- **Indirect emissions (Scope 3).** Ferrovial calculates all Scope 3 emissions following the guidelines set out in the Corporate Value Chain (Scope 3) Accounting and Reporting Standard published by the GHG Protocol Initiative, the WRI and the WBCSD. Ferrovial calculates 11 of the 15 categories included in the Corporate Value Chain (Scope 3) Accounting and Reporting Standard document. The categories that do not apply are:
 - *Downstream transportation and distribution. Ferrovial does not sell products that are transported or stored.*
 - *Processing of sold products. Ferrovial does not have products that will be transformed or included in another process to obtain another product.*
 - *Downstream leased assets. Ferrovial has no assets that it rents out to other companies.*
 - *Franchises. Ferrovial does not act as a franchisor.*

The calculation method on the categories that apply is listed below:

Investments

It accounts for emissions related to investments in UK airports and motorways over which there is no operational control. Considering the share of the following sources:

- Scope 1&2.
- *The most significant Scope 3 items, which are: Air traffic movements, Employee Commuting and Passenger transport in the case of airports and the emissions produced by the use of the motorway by vehicles.*

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All airports do an independent external verification of their emissions. Once the data (consumption and emissions) has been verified, it is provided to Ferrovial to be included in its inventory.

Purchased goods and services

This section includes emissions related to materials purchased by Ferrovial for use in products or services offered by the company. It includes emissions from the various life cycle stages: extraction, pre-processing and manufacturing. It excludes the use and transport phase. In this category, the most relevant materials from an environmental and purchasing volume point of view have been considered, such as paper, wood, water, concrete, asphalt, steel and chipboard.

The methodology is to apply a Defra specific conversion factor to the quantity of these materials purchased.

Use of sold products

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

The methodology used depends on the location of the motorways:

- For European motorways, the calculation tool needs the following input data: Length, ADT, % of light and heavy vehicles and the maximum speed at which they are allowed to drive on the motorway.
- For American motorways, the calculation tool requires the following input data: Length, ADT, % of light and heavy vehicles and the maximum speed at which the motorway is permitted to be driven, the state, county and type of motorway.

Capital goods

This category includes all upstream (i.e. cradle to door) emissions from the production of capital goods purchased or acquired by the company during the year.

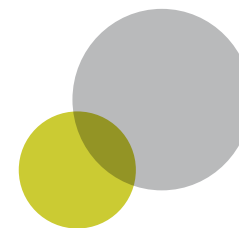
The methodology involves applying a Defra-specific conversion factor to the amount invested in equipment, machinery, construction projects and office equipment and furniture.

Upstream transportation and distribution

Includes emissions from transport and distribution of products reported in the Purchased good and services category. The GHG Protocol sheet is used for the calculation.

The information required to calculate this category is:

- Quantity of the most relevant products and materials from the environmental point of view.
- Origin of materials and quantity purchased in each country.
- Type of transport used.
- Distance.



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Waste generated in operations

The emissions in this section are related to the waste generated by the company's activity that has been reported during the year. A Defra conversion factor is applied to each of the quantities of these wastes. This section includes:

- Construction and demolition waste.
- Non-Hazardous Waste: Recyclable urban, wood, vegetable waste.
- Hazardous Waste.
- Excavated earth taken to landfill.

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

This section considers the energy that is necessary to produce the fuels and electricity that the company consumes, as well as the losses of electricity in transmission and distribution.

To calculate emissions from purchased fuels (petrol, diesel, natural gas, propane, LPG...) and electricity, conversion factors are applied depending on Defra's "Well-to-tank" data source. As for the loss of electricity from transmission, the conversion factor applied is country-specific and comes from the International Energy Agency..

End of life treatment of sold products

This category includes emissions from the disposal of waste generated at the end of the useful life of products sold by Ferrovial in the reporting year.

Ferrovial offers services and products. Services, which are labour, do not generate emissions associated with this category. As for the products sold, these correspond to the construction of infrastructure. In this case the most relevant materials from an environmental point of view and by volume that are included in the construction of infrastructures are wood, paper, barriers, asphalt and concrete. Therefore, at the end of the useful life of the infrastructures, the waste to be managed corresponds to the same.

A Defra conversion factor is applied to these products to obtain the emissions from the disposal of waste generated at the end of the useful life of the infrastructure.

Business travel

Emissions associated with business travel are included, whether by train, plane, taxi or vehicles used for travel.

For this category, data provided by the travel agency or from accounting is used, such as type of trip, route or expense. Conversion factors are applied to these data to obtain the emissions related to each type of transportation. The source of these varies from country to country.

Upstream leased assets

Includes emissions related to electricity consumption of those customers' buildings in which Amey carries out maintenance and cleaning.

A Defra conversion factor is applied to these energy consumptions to obtain the related emissions.

Employee commuting

This category includes emissions from employees travelling from their homes to their workplaces. In this section, Ferrovia calculates the emissions of employees in construction, services, infrastructure and the Ferrovia Group working in its central offices.

The information required is:

- Number of workers.
- Distance from employees' homes to the office.
- Type of transport used in case of not arriving at the offices on foot: car, motorcycle, subway, bus or train.

To obtain information on the type of transport used and distances, surveys were carried out. Conversion factors are applied to these data using the GHG Protocol sheet to obtain the emissions related to each type of transportation.

- **“Biogenic CO₂”** emissions. According to the IPCC (Intergovernmental Panel on Climate Change) and the “Protocol for the quantification of greenhouse gas emissions from waste management activities” standard, CO₂ from the combustion of captured and channelled biogas that is burned in flares, in cogeneration processes or in boilers must be reported as zero. This is because this gas comes from the decomposition of products containing organic matter of animal or plant origin that was previously captured by living organisms and therefore belongs to a carbon neutral cycle. These emissions also include the incineration of organic matter in incineration plants.

In its **“Calculation and Reporting of the Carbon Footprint”** procedure, Ferrovia uses the year 2009 as its benchmark and recalculates its inventory whenever there is a structural change or new activities relevant to the company, a change in calculation methodology (emission factors, focus, etc.) or changes in annual consumption, in order to ensure the comparability of information across the years.





ferrovial

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