

Climate Strategy

Methodology



ferrovial

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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 to produce electricity, heat or steam (solid waste incineration), combustion of fuels in vehicles owned or controlled by the company, diffuse emissions (those not associated with a specific source, such as biogas emissions from landfills) and fugitive emissions (refrigerants).

INDIRECT EMISSIONS (SCOPE 2). Generated as a result of the **consumption of electricity, heat and cooling purchased** from other companies that produce or control it.

INDIRECT EMISSIONS (SCOPE 3). Since 2012, **Ferrovial has calculated 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 9 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, processing of sold products, downstream leased assets, franchises, use of sold products and upstream leased assets.

This strategy is overseen at the highest level in the company and monitored throughout the year. Progress on the Sustainability Strategy objectives feature monthly on the CEO agenda, are reviewed at least once a year by the Board of Directors, and every two months by the Management Committee. Ferrovial has a Sustainability Steering Committee, chaired by the Sustainability Director and composed.

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

PURCHASED GOODS AND SERVICES. This section includes emissions related to materials purchased by Ferrovial for use in products or services offered by the company. Includes emissions from the different phases of the life cycle: extraction, pre-processing and manufacturing. Excludes the use and transport phase. This category includes the most relevant materials from an environmental and purchasing volume point of view, such as bitumen, concrete, steel, aggregates, cement and asphalt agglomerate. The methodology consists of applying a specific Defra conversion factor to the quantity of these materials purchased.

CAPITAL GOODS. This category includes all upstream (i.e., cradle-to-gate) emissions from the production of capital

equipment purchased or acquired by the company in the year, including total net additions, plant and machinery, fixtures, fittings, tooling and furniture. EPA (United States Environmental Protection Agency) sector-specific economic conversion factors are used.

FUEL AND ENERGY RELATED ACTIVITIES (NOT INCLUDED IN SCOPE 1 OR 2): This section considers the energy required to produce the fuels and electricity consumed by the company, as well as electricity losses in transportation and distribution. To calculate the emissions corresponding to the fuels (gasoline, diesel, natural gas, propane, LPG...) and electricity purchased, conversion factors are applied, according to Defra's "Well-to-tank" source. For electricity loss from transport, the conversion factor applied is country-specific and comes from the International Energy Agency.

UPSTREAM TRANSPORTATION AND DISTRIBUTION: The emissions under this category are related to the transportation and distribution of the materials purchased by Ferrovia that are included in the purchased goods and services category. Defra conversion factors are applied to each type of transportation considering the distance travelled.

WASTE GENERATED IN OPERATIONS: The emissions in this section are related to the waste generated by the company's activity that has been reported in the fiscal year. A Defra conversion factor is applied to each of the amounts of these wastes. This section includes construction and demolition waste, non-hazardous waste: urban assimilable waste, wood, vegetable waste, hazardous waste, excavated earth taken to landfills.

BUSINESS TRAVEL: This includes emissions associated with corporate travel, whether by train, plane used for travel. For this category, data provided by the travel agency or accounting data such as type of trips, journeys or expenses are used. DEFRA sourced conversion factors are applied to this data to derive the emissions associated with each type of travel. Well to tank (WTT) and tank to wheel (TTW) emissions are included.

EMPLOYEE COMMUTING: This category includes emissions from employees' commuting from their homes to their workplaces. Ferrovia calculates the emissions of construction, infrastructure and Ferrovia Group employees who work in central offices in Spain and Poland. The required information is

number of employees, distance from employees' homes to the office, type of transportation used in case of not walking to the offices: car, motorcycle, subway, bus or train.

To obtain information on the type of transport used and distances, surveys were conducted. DEFRA conversion factors are applied to these data to obtain the emissions related to each type of travel. Emissions "well to tank" (WTT) and "tank to wheel" (TTW) are included.

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 Ferrovia in the reporting year. Ferrovia offers services and products. Services, being labor, do not generate emissions associated with this category. As for the products sold, these correspond to the construction of infrastructures. A conversion factor of Defra 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.

INVESTMENTS: Accounts for Scope 1&2 emissions related to highway investments over which it does not have operational control.