

FERROVIAL SE

SUSTAINABILITY TARGET ECP STEP COMPLIANT PROGRAMME

DNV SECOND PARTY OPINION (SPO)

Scope and objectives

FERROVIAL SE (hereafter referred to as "**FERROVIAL**"), is a multinational company with its corporate seat in The Netherlands involved in the design, construction, financing, operation and maintenance of transport infrastructure and urban services. The company's shares are listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and on Euronext Amsterdam. The company continues to grow new business opportunities based on mobility, water, energy, and adaptation. FERROVIAL is a leader in developing and operating innovative, efficient, and sustainable infrastructure, creating long term value for its stakeholders. Sustainability is a key factor for the business model, as FERROVIAL generates new opportunities and facilitate future growth.

FERROVIAL has developed and updated a Sustainability Linked Financing Framework (the "**Framework**"). The Framework enables issuance of ICMA's Sustainability-Linked Bond Principles (SLBP) 2020 and to the LMA's Sustainability-Linked Loan Principles (SLLP) 2023 or other financial instruments to finance and support activities that will contribute to the United Nations Sustainable Development Goals and the Company's Sustainability Strategy, through:

- Challenging roadmap "Deep Decarbonization Path" including strong emission reduction targets, climate neutrality commitment by 2050 and renewable sourcing in the energy mix of the Group.
- Developing new lines of business (energy, water, mobility) aimed at achieving decarbonization of the economy and combating the effects of climate change.
- Setting ambitious reduction targets endorsed by the Science Based Target Initiative (SBTi) for the 2030 horizon in scopes 1, 2 and 3.

FERROVIAL is intending to establish an up to €1,500,000,000 Sustainability Target European Commercial Paper (ECP) STEP Compliant Programme (henceforth referred to as the "**Programme**") linking to some of the SPTs of its Framework but replacing the penalty mechanism of Sustainability Linked Bonds (SLB) in case of failure to meet the SPTs by donations to environmental and/or social projects (see details in page 6 below). The donation mechanism is responding to the fact that a margin adjustment or step-up coupon will not be possible due to the nature of the instrument (commercial paper).

FERROVIAL has chosen two Key Performance Indicators (KPIs) from the Framework that are relevant, core and material to FERROVIAL's overall business and of high strategic significance to the Group's current and/or future operations:

- **KPI 1:** *GHG Scope 1 + 2 absolute emissions according with GHG protocol, DEFRA¹ and DECC² methodologies (tCO₂e), covering 100% of the companies over which FERROVIAL has operational control.*
- **KPI 2:** Reduction of the Serious Injury and Fatality Frequency Rate.

FERROVIAL will assess its sustainability performance against the following Sustainability Performance Targets (SPTs):

GHG SPT: Reduce absolute scope 1&2 emissions with 26.9%, by 2025 from 2009 as base year.

HS SPT: Reduction of Serious Injuries and Fatality Frequency Rate with 35%, by 2025 vs 2019 as baseline year.

As of today, there are no international standards and guidance for Sustainability-linked short-term instruments. Consequently, the SLBP have been used as a proxy to analyse the sustainability of these short-term capital market instruments and DNV GL Business Assurance España S.L ("**DNV**") has been commissioned by FERROVIAL to provide an eligibility assessment of the Programme according to 4 of the 5 core components of International Capital Market Association (ICMA) Sustainability-Linked Bond Principles 2020 (SLBP). Our objective has been to provide an assessment on whether the Programme is aligned with the criteria established within following components of the SLBP:

1. Selection of KPIs.
2. Calibration of Sustainability Performance Targets (SPTs).
4. Reporting.
5. Verification.

No assessment is provided regarding Bond Characteristics (component 3) of the SLBP. No assurance is provided regarding the financial performance of any financial instrument, the value of any investments in a financial instrument, or the long-term environmental benefits of any transaction. Our objective has been to provide an assessment that the Programme has met the criteria established on the basis set out below.

Responsibilities of the Management of Client and DNV

The management of FERROVIAL has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform FERROVIAL's management and other interested stakeholders in the Framework as to whether the established criteria have been met, based on the information provided to us. In our work, we have relied on the information and the facts presented to us by FERROVIAL. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by FERROVIAL management and used as a basis for this assessment were not correct or complete.

Basis of DNV's opinion

We have adapted our eligibility assessment protocol, which incorporates the requirements of the SLBP to create a FERROVIAL-specific Sustainability-Linked Programme Eligibility Assessment Protocol (henceforth referred to as "**Protocol**"). Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion. The overarching principle behind the criteria is that a Sustainability-Linked Bond should "*provide an investment opportunity with transparent sustainability credentials*".

As per our Protocol, the criteria from the SLBP against which the Programme has been reviewed are grouped under the five Principles:

- **Principle One: Selection of Key Performance Indicators (KPIs).** The issuer of a sustainability-linked finance instrument should clearly communicate its overall sustainability objectives, as set out in its sustainability strategy, and how these relate to its proposed Sustainability Performance Targets (SPT). The KPI should be relevant, core and material to the issuer's core sustainability and business strategy, measurable or quantifiable on a consistent methodological basis, externally verifiable; and able to be benchmarked externally.
- **Principle Two: Calibration of Sustainability Performance Targets (SPTs).** The SPTs should be ambitious, meaningful and realistic. The target setting should be done in good faith and based on a sustainability improvement in relation to a predetermined performance target benchmark.
- **Principle Three: Bond/Loan Characteristics.** The finance instrument will need to include a financial and/or structural impact depending on whether the selected KPIs reach (or not) the predefined SPTs. The bond documentation needs to require the definitions of the KPI(s) and SPT(s) and the potential variation of the SLB's financial and/or structural characteristics. Any fallback mechanisms in case the SPTs cannot be calculated or observed in a satisfactory manner, should be explained.
- **Principle Four: Reporting.** Issuers should publish and keep readily available and easily accessible up to date information on the performance of the selected KPI(s), as well as a verification assurance report outlining the performance against the SPT(s) and the related impact and timing of such impact on the instrument's financial and/or structural characteristics, with such information to be provided to investors participating in the bond at least once per annum.
- **Principle Five: Verification (Post-issuance).** The Issuer should have its performance against its SPTs independently verified by a qualified external reviewer with relevant expertise, such as an auditor, environmental consultant and/or independent ratings agency, at least once a year. The verification of the performance against the SPT(s) should be made publicly available.

Work undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by FERROVIAL in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation of a FERROVIAL-specific Protocol, adapted to the purpose of the Programme, as described above and in Schedule 2 to this assessment.
- Assessment of documentary evidence provided by FERROVIAL on the Programme and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology.
- Discussions with FERROVIAL management, as well as review of relevant documentation and evidence related to the criteria of the Protocol.
- Documentation of findings against each element of the criteria.

Our opinion as detailed below is a summary of these findings.

Findings and DNV's opinion

DNV's summary findings are listed below, with further detail provided in Schedule 2:

1. Principle One: Selection of Key Performance Indicators (KPIs).

FERROVIAL's Sustainability and Health, Safety and Wellbeing (HSW) Strategy is driven by:

- A challenging roadmap "Deep Decarbonization Path" including strong emission reduction targets, climate neutrality commitment by 2050 and renewable sourcing in the energy mix of the Group.
- Developing new lines of business (energy, water, mobility) aimed at achieving decarbonization of the economy and combating the effects of climate change.
- Setting ambitious reduction targets endorsed by the Science Based Target Initiative (SBTi) for the 2030 horizon in scopes 1, 2 and 3.
- Health, Safety and Wellbeing (HSW) is a crucial element of FERROVIAL's Strategy, to create safe, harm free workplaces and operations for everyone, every day.

After reviewing the evidence, DNV can confirm that FERROVIAL has chosen two Key Performance Indicators (KPIs) that are relevant, core and material to FERROVIAL's overall business and of high strategic significance to the Group's current and/or future operations:

KPI 1: GHG Scope 1 + 2 absolute emissions according with GHG protocol, DEFRA¹ and DECC² methodologies (tCO₂e), covering 100% of the companies over which FERROVIAL has operational control.

KPI 2: Reduction of the Serious Injury and Fatality Frequency Rate.

Health & Safety KPI is usually applicable and defined by legislation in each country. FERROVIAL has defined this KPI2 as their methodology to calculate a homogeneous global rate for Health & Safety, given that no international recognized standard is available.

Baseline year is 2009 for KPI1 and 2019 for KPI2. Past performance results of both KPIs are presented in the Framework and historical data are available for both since the baseline year.

Based on the evidence reviewed, DNV can confirm that the KPIs are relevant, meaningful, and material to the company’s overarching sustainability strategy. The rationale and process for KPI 1 & 2 selection, as well as their definition, measurability and verifiability are clearly defined and are deemed to be meaningful, reliable and in accordance with the SLBP.

2. Principle Two: Calibration of Sustainability Performance Targets (SPT).

Aligned with the KPIs outlined above, FERROVIAL has set the following SPTs:

GHG SPT: Reduce absolute scope 1&2 emissions 26.9%, by 2025 coming from 555,124 tCO_{2e} in 2009 as base year.

HS SPT: Reduction of Serious Injuries and Fatality Frequency Rate by 2025 with 35% coming from a rate of 0.57 in 2019 as baseline year.

DNV can confirm that target observation dates and intermediate milestones have been defined for both SPTs as follows:

SPT	Interim		Final
	31 December 2023	31 December 2024	31 December 2025
GHG SPT	23.53%	25.21%	26.9%
HS SPT	19.3%	28.7%	35%

DNV can confirm that FERROVIAL has calibrated the ambition of these SPTs against own and peer’s performance, and best practice. Given that no internationally recognized benchmark is available for comparison, FERROVIAL has calibrated the ambition of HSW SPT against peer’s performance using qualitative information available about similar initiatives and results of their peers. FERROVIAL has calibrated the ambition of the GHG SPT considering that emissions in year 2022 were extraordinarily low due to the coincidence of the delivery of several large projects with a high emissions intensity.

DNV reviewed the evidence demonstrating the credibility of the company strategies to achieve the SPTs and can conclude that FERROVIAL has a clear roadmap to meeting the SPTs.

Based on the work undertaken, DNV can confirm that the SPTs represent a material improvement beyond a "Business as Usual" trajectory and is consistent with FERROVIAL's overall sustainability and set on a predefined timeline in accordance with the SLBP.

3. Principle Three: Bond Characteristics.

In case of not reaching each of the proposed SPTs, it is FERROVIAL's intention to donate for each not complied SPT at each target observation date an amount that will be determined as the lowest of:

- € 20,000 per each complete annual period; or
- Σ Daily Outstanding Amount of Notes¹ / number of days of the Measurement Period¹ *Donation Rate¹.

Donation amounts will be used to improve/upgrade the following projects promoted by FERROVIAL:

- The development of infrastructures that guarantee access to water and sanitation in vulnerable populations in South America, Asia and Africa; or
- Social projects promoted by Ferrovial's "Juntos Sumamos"; or
- Other environmental or social projects developed by FERROVIAL.

Amounts donated are added to the initial budget resulting in an additional cost of financing for FERROVIAL.

As of today, there are no international standards for Sustainability-linked short-term Notes/Commercial Paper Programs. The SLBP have been used as a proxy to analyse the sustainability of these short-term capital market instruments. Due to the nature of this type of instrument, there can be no impact on the financial structure of the instrument in the event of not reaching the SPTs. Instead, Ferrovial has designed a penalty donation structure. DNV cannot confirm that this penalty donation structure is aligned with the SLBP recommendations, consequently, our assessment in this pillar has been limited to the disclosure and transparency of the commitments made by FERROVIAL.

Based on the evidence reviewed, DNV can confirm that FERROVIAL has transparently communicated the variation in case the SPTs are not reached at the target observation dates.

4. Principle Four: Reporting.

DNV can confirm FERROVIAL has committed to publishing the following SLB related information in its Integrated Annual Report and/or on its website:

- Information on the performance and monitoring of the selected KPIs.
- Verification assurance report relative to the SPTs outlining the performance against the SPT and the related impact.
- Any relevant information enabling investors to monitor the progress of the SPTs.

¹ Accurate definition of the term is available under the information relating to the sustainability target feature in the Information Memorandum of the Sustainability Target European Commercial Paper (ECP) STEP Compliant Programme available on the website of Ferrovial (<http://www.ferrovial.com>).

DNV can confirm FERROVIAL has committed to reporting in line with the requirements of the SLBP and SLLP.

5. Principle Five: Verification.

DNV can confirm FERROVIAL has committed to report the performance and related impact of KPI/SPTs on annual basis as part of FERROVIAL's Sustainable Finance Report. The report will be verified by an appropriate qualified independent party of assurance and will be made available on FERROVIAL's website.

DNV can confirm FERROVIAL has committed obtaining verification in line with the requirements of the SLLP and SLBP.

Based on the information provided by FERROVIAL and the work undertaken,

- it is DNV's opinion that the Programme is aligned with the criteria established in components 1,2,4 and 5 in the Protocol and ICMA's Sustainability Linked Bond Principles 2020 (SBLP).
- DNV can confirm that FERROVIAL has transparently communicated the variation in case the SPTs are not reached at the target observation dates.

for DNV GL Business Assurance España S.L.

Madrid, July 31st, 2023.



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About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight.

With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 12,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

SCHEDULE 1: DESCRIPTION OF FERROVIAL’S KEY PERFORMANCE INDICATORS (KPI) AND SUSTAINABILITY PERFORMANCE TARGETS (SPT).

	KEY PERFORMANCE INDICATOR (KPI)	SUSTAINABILITY PERFORMANCE TARGET (SPT)	SDG ALIGNMENT
1	KPI 1: GHG Scope 1 + 2 absolute emissions according with GHG protocol, DEFRA1 and DECC2 methodologies (tCO _{2e}), covering 100% of the companies over which FERROVIAL has operational control.	GHG SPT: Reduce absolute scope 1&2 emissions 26.9%, by 2025 coming from 555.124 tCO _{2e} in 2009 as base year.	SDG 13: CLIMATE ACTION.
2			
3	KPI 2: Reduction of the Serious Injury and Fatality Frequency Rate.	HS SPT: Reduction of Serious Injuries and Fatality Frequency Rate by 2025 with 35% coming from a rate of 0.57 in 2019 as baseline year.	SDG 8 DECENT WORK AND ECONOMIC GROWTH.
4			

SCHEDULE 2: FERROVIAL SUSTAINABILITY-LINKED TARGET ECP PROGRAMME ELIGIBILITY ASSESSMENT PROTOCOL.

1. Selection of Key Performance Indicators (KPIs).

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	KPI – material to core sustainability and business strategy.	<p>The issuer’s sustainability performance is measured using sustainability KPIs that can be external or internal.</p> <p>The KPIs should be material to the issuer’s core sustainability and business strategy and address relevant environmental, social and/or governance challenges of the industry sector and be under management’s control. The KPI should be of high strategic significance to the issuer’s current and/or future operations.</p> <p>It is recommended that issuers communicate clearly to investors the rationale and process according to which the KPI(s) have been selected and how the KPI(s) fit into their sustainability strategy.</p>	<p>Including management interviews DNV also undertook a review of:</p> <ul style="list-style-type: none"> – Discussions with the issuer. – Sustainability Linked Financing Framework, March 2023. – FERROVIAL Sustainability Strategy 2030. – Sustainability Policy. – FERROVIAL integrated annual report 2021. – Responsible investment and sustainability indexes. – Information Memorandum: Ferrovial SE Sustainability Target European Commercial Paper (ECP) STEP Compliant Programme, July 2023. 	<p>FERROVIAL’s Sustainability Strategy is driven by:</p> <ul style="list-style-type: none"> – A challenging roadmap “Deep Decarbonization Path” including strong emission reduction targets, climate neutrality commitment by 2050 and renewable sourcing in the energy mix of the Group. – Developing new lines of business (energy, water, mobility) aimed at achieving decarbonization of the economy and combating the effects of climate change. – Setting ambitious reduction targets endorsed by the Science Based Target Initiative (SBTi) for the 2030 horizon in scopes 1, 2 and 3. – Health, Safety and Wellbeing (HSW) is a crucial element of FERROVIAL’s Strategy, to create safe, harm free workplaces and operations for everyone, every day. <p>After reviewing the evidence, DNV can confirm that FERROVIAL has chosen two Key Performance Indicators (KPIs) that are relevant, core and material to FERROVIAL’s overall business and of high strategic significance to the Group’s current and/or future operations:</p> <ul style="list-style-type: none"> KPI 1: GHG Scope 1 + 2 absolute emissions according with GHG protocol, DEFRA¹ and DECC² methodologies (tCO₂e), covering 100% of the companies over which FERROVIAL has operational control. KPI 2: Reduction of the Serious Injury and Fatality Frequency Rate.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1b	KPI – Measurability.	<p>KPIs should be measurable or quantifiable on a consistent methodological basis; externally verifiable; and able to be benchmarked, i.e. as much as possible using an external reference or definitions to facilitate the assessment of the SPTs level of ambition.</p> <p>Issuers are encouraged, when possible, to select KPI(s) that they have already included in their previous annual reports, sustainability reports or other non-financial reporting disclosures to allow investors to evaluate historical performance of the KPIs selected.</p> <p>In situations where the KPIs have not been previously disclosed, issuers should, to the extent possible, provide historical externally verified KPI values covering at least the previous 3 years.</p>	<p>Including management interviews DNV also undertook a review of:</p> <ul style="list-style-type: none"> – Discussions with the issuer. – Sustainability Linked Financing Framework, March 2023. – FERROVIAL Sustainability Strategy 2030. – Sustainability Policy. – FERROVIAL integrated annual report 2021. – Responsible investment and sustainability indexes. – Information Memorandum: Ferrovial SE Sustainability Target European Commercial Paper (ECP) STEP Compliant Programme, July 2023. 	<p>Health & Safety KPIs are usually applicable and defined by legislation in each country. FERROVIAL has defined this KPI 2 as their methodology to calculate a homogeneous global rate for Health & Safety, given that no international recognized standard is available.</p> <p>Baseline year is 2009 for KPI1 and 2019 for KPI2. Past performance results of both KPIs are presented in the Framework and historical data are available for both since the baseline year.</p> <p>Based on the evidence reviewed, DNV can confirm that the KPIs are relevant, meaningful, and material to the company’s overarching sustainability strategy. The rationale and process for KPI 1 & 2 selection, as well as their definition, measurability and verifiability are clearly defined and are deemed to be meaningful, reliable and in accordance with the SLBP.</p>
1c	KPI – Clear definition.	<p>A clear definition of the KPI(s) should be provided and include the applicable scope or perimeter as well as the calculation methodology.</p>	<p>Including management interviews DNV also undertook a review of:</p> <ul style="list-style-type: none"> – Discussions with the issuer. – Sustainability Linked Financing Framework, March 2023. 	<p>DNV can confirm the KPIs use clear calculation methodologies and the perimeter is well-defined as stated in the Framework.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
			<ul style="list-style-type: none"> - FERROVIAL Sustainability Strategy 2030. - Sustainability Policy. - FERROVIAL integrated annual report 2021. - Responsible investment and sustainability indexes. - Information Memorandum: Ferrovial SE Sustainability Target European Commercial Paper (ECP) STEP Compliant Programme, July 2023. 	

2. Calibration of Sustainability Performance Targets (SPT).

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Target Setting – Meaningful.	The SPTs should be ambitious, realistic and meaningful to the issuer’s business and be consistent with the issuers’ overall strategic sustainability/ESG strategy.	<p>Including management interviews DNV also undertook a review of:</p> <ul style="list-style-type: none"> – Discussions with the issuer. – Sustainability Linked Financing Framework, March 2023. – FERROVIAL Sustainability Strategy 2030. – Sustainability Policy. – FERROVIAL integrated annual report 2021. – Responsible investment and sustainability indexes. – Emissions data. – Information Memorandum: Ferrovial SE Sustainability Target European Commercial Paper (ECP) STEP Compliant Programme, July 2023. 	<p>Aligned with the KPIs outlined above, FERROVIAL has set the following SPTs:</p> <ul style="list-style-type: none"> – GHG SPT: Reduce absolute scope 1&2 emissions 26.9%, by 2025 coming from 555,124 tCO₂e in 2009 as base year. – HS SPT: Reduction of Serious Injuries and Fatality Frequency Rate with 35% coming from a rate of 0.57 in 2019 as baseline year. <p>DNV can confirm that target observation dates and intermediate milestones have been defined for both SPTs.</p> <p>DNV can confirm that FERROVIAL has calibrated the ambition of these SPTs against own and peers’ performance, and best practice. Given that no internationally recognized benchmark is available for comparison, FERROVIAL has calibrated the ambition of HS SPT against peers’ performance using qualitative information available about similar initiatives and results of their peers. FERROVIAL has calibrated the ambition of the GHG SPT considering that emissions in year 2022 were extraordinarily low due to the coincidence of the delivery of several large projects with a high emissions intensity.</p> <p>DNV reviewed the evidence demonstrating the credibility of the company strategies to achieve the SPTs and can conclude that FERROVIAL has a clear roadmap to meeting the SPTs.</p> <p>Based on the evidence reviewed, DNV can confirm that the KPIs are relevant, meaningful, and material to the company’s overarching sustainability strategy. The rationale and process for KPI 1 & 2 selection, as well as their definition, measurability and verifiability are clearly defined and are deemed to be meaningful, reliable and in accordance with the SLBP.</p>
2b	Target Setting – Meaningful.	SPTs should represent a material improvement in the respective KPIs and be beyond a “Business as Usual” trajectory; where possible be compared to a benchmark or an external reference and be	<p>Including management interviews DNV also undertook a review of:</p> <ul style="list-style-type: none"> – Discussions with the issuer. 	<p>Based on the evidence reviewed, DNV can confirm that the KPIs are relevant, meaningful, and material to the company’s overarching sustainability strategy. The rationale and process for KPI 1 & 2 selection, as well as their definition, measurability and verifiability are clearly defined and are deemed to be meaningful, reliable and in accordance with the SLBP.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		<p>determined on a predefined timeline, set before (or concurrently with) the issuance of the bond.</p>	<ul style="list-style-type: none"> - Sustainability Linked Financing Framework, March 2023. - FERROVIAL Sustainability Strategy 2030. - Sustainability Policy. - FERROVIAL integrated annual report 2021. - Responsible investment and sustainability indexes. - Emissions data. - Information Memorandum: Ferrovial SE Sustainability Target European Commercial Paper (ECP) STEP Compliant Programme, July 2023. 	
2c	Target Setting – benchmarks.	<p>The target setting exercise should be based on a combination of benchmarking approaches:</p> <ol style="list-style-type: none"> 1. The issuer’s own performance over time for which a minimum of 3 years, where feasible, of measurement track record on the selected KPI(s) is recommended and when possible forward-looking guidance on the KPI. 2. The SPTs relative positioning versus the issuer’s peers where comparable or available, or versus industry or sector standards; and/or 3. Systematic reference to science-based scenarios, or absolute levels (e.g. 	<p>Including management interviews DNV also undertook a review of:</p> <ul style="list-style-type: none"> - Discussions with the issuer. - Sustainability Linked Financing Framework, March 2023. - FERROVIAL Sustainability Strategy 2030. - Sustainability Policy. - FERROVIAL integrated annual report 2021. - Responsible investment and sustainability indexes. - Ferrovial Peer Benchmarking. - Information Memorandum: Ferrovial SE Sustainability Target European Commercial 	<p>DNV can confirm that target observation dates and intermediate milestones have been defined for both SPTs.</p> <p>DNV can confirm that FERROVIAL has calibrated the ambition of these SPTs against own and peer’s performance, and best practice. Given that no internationally recognized benchmark is available for comparison, FERROVIAL has calibrated the ambition of the HS SPT against peers’ performance using qualitative information available about similar initiatives and results of their peers. FERROVIAL has calibrated the ambition of the GHG SPT considering that emissions in year 2022 were extraordinarily low due to the coincidence of the delivery of several large projects with a high emissions intensity.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		carbon budgets) or official country/regional/international targets or to recognised Best-Available-Technologies or other proxies.	Paper (ECP) STEP Compliant Programme, July 2023.	
2d	Target setting – disclosures.	<p>Disclosures on target setting should make clear reference to:</p> <ol style="list-style-type: none"> 1. The timelines of target achievement, the trigger event(s), and the frequency of SPTs. 2. Where relevant, the verified baseline or reference point selected for improvement of KPIs as well as the rationale for that baseline or reference point to be used. 3. Where relevant, in what situations recalculations or pro-forma adjustments of baselines will take place. 4. Where possible and taking into account competition and confidentiality considerations, how the issuers intend to reach such SPTs. 	<p>Including management interviews DNV also undertook a review of:</p> <ul style="list-style-type: none"> – Discussions with the issuer. – Sustainability Linked Financing Framework, March 2023. – FERROVIAL Sustainability Strategy 2030. – Sustainability Policy. – FERROVIAL integrated annual report 2021. – Responsible investment and sustainability indexes. – Emissions data. – Information Memorandum: Ferrovial SE Sustainability Target European Commercial Paper (ECP) STEP Compliant Programme, July 2023. 	<p>DNV can confirm that following disclosures are outlined in the Framework and consistent with the SLBP:</p> <ul style="list-style-type: none"> – Frequencies and timelines to achieve the targets. – The rationale for the baselines defined. – Clear description of how the company intends to reach the SPTs. <p>DNV considers FERROVIAL’s SPT’s realistic.</p>

3. Bond Characteristics.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Bond Characteristics – SPT Financial/structural impact.	The SLL/SLB will need to include a financial and/or structural impact involving trigger event(s) based on whether the KPI(s) reach the predefined SPT(s).	Including management interviews DNV also undertook a review of: <ul style="list-style-type: none"> – Discussions with the issuer. – Sustainability Linked Financing Framework, March 2023. – Information Memorandum: Ferrovial SE Sustainability Target European Commercial Paper (ECP) STEP Compliant Programme, July 2023. 	<p>In case of not reaching each of the proposed SPTs, it is FERROVIAL’s intention to donate for each not complied SPT at each target observation date an amount that will be determined as the lowest of:</p> <ul style="list-style-type: none"> – € 20,000 per each complete annual period; or – Σ Daily Outstanding Amount of Notes / number of days of the Measurement Period *Donation Rate. <p>Donation amounts will be used to improve/upgrade the following projects promoted by FERROVIAL:</p> <ul style="list-style-type: none"> – The development of infrastructures that guarantee access to water and sanitation in vulnerable populations in South America, Asia and Africa (adding the amount for non-compliance to the initial budget); or – Social projects promoted by Ferrovial's "Juntos Sumamos"; or – Other environmental or social projects developed by FERROVIAL. <p>Amounts donated are added to the initial budget resulting in an additional cost of financing for FERROVIAL.</p> <p>As of today, there are no international standards for Sustainability-linked short-term Notes/Commercial Paper Programs. The SLBP have been used as a proxy to analyse the sustainability of these short-term capital market instruments. Due to the nature of this type of instrument, there can be no impact on the financial structure of the instrument in the event of not reaching the SPTs. Instead, Ferrovial has designed a penalty donation structure. DNV cannot confirm that this penalty donation structure is aligned with the SLBP recommendations, consequently, our assessment in this pillar has been limited to the disclosure and transparency of the commitments made by FERROVIAL.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				Based on the evidence reviewed, DNV can confirm that FERROVIAL has transparently communicated the variation in case the SPTs are not reached at the target observation dates.
3b	Bond Characteristics – Fallback mechanism.	<p>Any fallback mechanisms in case the SPTs cannot be calculated or observed in a satisfactory manner should be explained.</p> <p>Issuers may also consider including, where needed, language in the Loan documentation to take into consideration potential exceptional events.</p>	<p>Including management interviews DNV also undertook a review of:</p> <ul style="list-style-type: none"> – Discussions with the issuer. – Sustainability Linked Financing Framework, March 2023. – Information Memorandum: Ferrovial SE Sustainability Target European Commercial Paper (ECP) STEP Compliant Programme, July 2023. 	<p>DNV can confirm there appears to be little risk of FERROVIAL not being able to calculate its KPIs, but if, for any reason, the performance level against each SPT cannot be calculated or observed at the trigger date, the donation will still be applicable.</p> <p>Based on the evidence reviewed, DNV can confirm that the issuer has transparently communicated the variation in case the SPTs are not reached at the target observation dates.</p>

4. Reporting commitments.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
4a	Reporting.	<p>Issuers of a SLB and borrowers of SLL should publish, and keep readily available and easily accessible:</p> <ol style="list-style-type: none"> 1. Up-to-date information on the performance of the selected KPI(s), including baselines where relevant. 2. A verification assurance report relative to the SPT outlining the performance against the SPTs and the related impact, and timing of such impact, on the bond's financial and/or structural characteristics. 3. Any information enabling investors to monitor the level of ambition of the SPTs. <p>This reporting should be published regularly, at least annually, and in any case for any date/period relevant for assessing the SPT performance leading to a potential adjustment of the SLB's financial and/or structural characteristics.</p>	<p>Including management interviews DNV also undertook a review of:</p> <ul style="list-style-type: none"> - Discussions with the issuer. - Sustainability Linked Financing Framework, March 2023. - Information Memorandum: Ferrovial SE Sustainability Target European Commercial Paper (ECP) STEP Compliant Programme, July 2023. 	<p>DNV can confirm FERROVIAL will publish the following SLB related information in its annual Integrated Annual Report available on its website:</p> <ul style="list-style-type: none"> - Information on the performance and monitoring of the selected KPI. - Verification assurance report relative to the SPT outlining the performance against the SPT and the related impact. - Any relevant information enabling investors to monitor the progress of the SPT. <p>DNV can confirm FERROVIAL has committed to reporting in line with the requirements of the SLBP.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
4b	Second Party Opinion.	Publication of any pre-issuance external review, such as a second party opinion, or if relevant a verification of baselines.	Including management interviews DNV also undertook a review of: – Sustainability Linked Financing Framework, March 2023.	FERROVIAL has committed to conducting a second party opinion on the Framework, meeting the SLBP. This includes an assessment of the KPIs selected and associated SPTs, benchmark and baselines selected, and the credibility of the strategy to achieve them.

5. Verification.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
5a	External Verification.	Issuers should have its performance against each SPT for each KPI independently verified by a qualified external reviewer with relevant expertise, at least once a year, and for each SPT trigger event.	Including management interviews DNV also undertook a review of: -Sustainability Linked Financing Framework, March 2023.	<p>DNV can confirm FERROVIAL has committed to report the performance and related impact of KPI/SPTs on annual basis as part of its annual Integrated Report. The report will be verified by an appropriate qualified independent party of assurance and will be made available on FERROVIAL website.</p> <p>DNV can confirm FERROVIAL has committed obtaining verification in line with the requirements of the SLLP and SLBP.</p>