

FERROVIAL SE

SUSTAINABILITY-LINKED FINANCING FRAMEWORK

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) 2023 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 has chosen three 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: Reduction in absolute scope 1 and 2 GHG emissions.
- KPI 2: Reduction in absolute scope 3 GHG emissions.
- KPI 3: Reduction of the Serious Injury and Fatality Frequency Rate (SIF-FR).

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

SPT1:

- SPT 1.1: Reduce absolute Scope 1 and 2 emissions 31.9%, by 2028 from 2009 as base year.
 - SPT 1.2: Reduce absolute Scope 1 and 2 emissions 35.3%, by 2030 from 2009 as base year.
-

SPT2:

- SPT 2.1: Reduce absolute scope 3 GHG emissions 20% by 2028 from 2015 as base year.
- SPT 2.2: Reduce absolute scope 3 GHG emissions 22.2% by 2030 from 2015 as base year.

SPT3:

- SPT 3.1: Reduce the serious injury and fatality frequency rate (SIF-FR) 35% by 2025 from 2019 as base year.

DNV Business Assurance España S.L ("DNV") has been commissioned by FERROVIAL to provide an eligibility assessment of the Framework under which it can finance and support activities with a general purpose. Our objective has been to provide an assessment on whether the Framework meets the criteria established within the International Capital Market Association (ICMA) Sustainability-Linked Bond Principles 2023 (SLBP) and the Loan Market Association (LMA) Sustainability-Linked Loan Principles 2023 (SLLP).

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 Framework 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 and SLLP to create a FERROVIAL-specific Sustainability-Linked Financing Framework 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"* and that a Sustainability Linked Loan should *"facilitate and support environmentally and socially sustainable economic activity and growth"*.

As per our Protocol, the criteria from the SLLP and the SLBP against which the Framework 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 Framework, as described above and in Schedule 2 to this assessment.
- Assessment of documentary evidence provided by FERROVIAL on the Framework 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.
- Creating safe, harm free workplaces and operations for everyone, every day to be able to achieve this vision, the strategy has defined 4 pillars: Leadership, Competence, Resilience, and engagement.

After reviewing the evidence, DNV can confirm that FERROVIAL has chosen three 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: Reduction in absolute scope 1 and 2 GHG emissions.
- KPI 2: Reduction in absolute scope 3 GHG emissions. This KPI encompasses only 3 categories of Ferrovial's Scope 3 emissions counting for 42% in average for the period 2020-2022 of total scope 3 emissions. These categories are:
 - o Purchased goods and services.
 - o Upstream transportation and distribution.
 - o Waste generated in operations.These are the categories where FERROVIAL has control and more chance to influence and foster significant emissions reduction in the supply chain.
- KPI 3: Reduction of the Serious Injury and Fatality Frequency Rate (SIF-FR).

Baseline years are 2009 for KPI 1, 2015 for KPI 2 and 2019 for KPI 3. Target dates are set to 2028 and 2030 for KPI1 and KPI2 and 2025 for KPI3. Historical data are available for all KPIs since their baseline years.

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 and 3

selections, as well as their definition, measurability and verifiability are clearly defined and are deemed to be meaningful, reliable and in accordance with the SLLP and SLBP.

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

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

- SPT 1.1: Reduce absolute Scope 1 and 2 emissions 31.9%, by 2028 coming from 555,124 tCO_{2e} in 2009 as base year.
- SPT 1.2: Reduce absolute Scope 1 and 2 emissions 35.3%, by 2030 coming from 555,124 tCO_{2e} in 2009 as base year.
- SPT 2.1: Reduce absolute scope 3 GHG emissions 20% by 2028 coming from 2,578,515 tCO_{2e} in 2015 as base year.
- SPT 2.2: Reduce absolute scope 3 GHG emissions 22.2% by 2030 2,578,515 tCO_{2e} in 2015 as base year.
- SPT 3.1: Reduce the serious injury and fatality frequency rate (SIF-FR) 35% by 2025 coming from a rate of 0.57 in 2019 as base year.

DNV can confirm that SPT 1.1, SPT 1.2, SPT2.1, SPT 2.2 are in line with FERROVIAL's GHG emission reduction targets for Scope 1&2 and Scope 3, validated by the SBTi and firmly aligned with a carbon reduction pathway required to meet the objectives of the Paris Agreement in line with 2°C scenario and aligned with FERROVIAL's sustainability strategy.

DNV can confirm too that SPT 3.1 is in line with Ferrovial Global Adaptation Plan focused on measuring physical climate risks, and monetizing impacts on both existing and future assets worldwide, and aligned with FERROVIAL's Health, Safety and Wellbeing strategy.

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 SPT 3.1 against peer's performance using qualitative information available about similar initiatives and results of their peers.

Ambition of SPT 2.1 and SPT 2.2 has been calibrated by FERROVIAL considering higher reductions than expected, and required by SBTi, obtained in the period 2020-2022 due to changes in the timing and phase of major civil works, as a consequence of the Covid-19 pandemic. With this perspective, FERROVIAL expects revenue will increase significantly in the years to come following significant growth in construction activities after the pandemic, including more than double growth in many of the countries served. Maintaining Scope 3 SBTi reduction targets and SPT 2.1 and SPT 2.2, despite expected business growth, represents a material improvement according to own and peer's performance, as concluded from a comprehensive peer-analysis conducted by FERROVIAL. This will be possible thanks to the improvement measures and initiatives implemented.

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 SLLP and the SLBP.

3. Principle Three: Loan/Bond Characteristics.

A step-up coupon or margin adjustment will be applied according to the achievement or not of the selected SPTs on the specific target observation dates.

If, for any reason, the performance level against each SPT cannot be calculated or observed, the step-up coupon or increased margin adjustment of the instrument will be applicable. For some short-term instruments where a step-up coupon or increased margin adjustment is not feasible, other forms of economic impact in the issuer / borrower will be applied, as for example donations to environmental and/or social projects.

Based on the evidence reviewed, DNV can confirm that the step-up coupon or increased margin characteristics is in line with the requirements of the SLLP and SLBP.

4. Principle Four: Reporting.

DNV can confirm FERROVIAL will publish the following SLB related information in its Integrated Annual Report available 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.

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.

On the basis of the information provided by FERROVIAL and the work undertaken, it is DNV's opinion that the FERROVIAL Sustainability-Linked Financing Framework meets the criteria established in the Protocol and that it is aligned with the stated definition of sustainability linked bonds and loans within the Sustainability Linked Bond Principles 2023 and Sustainability Linked Loan Principles 2023, which is to *"incentivise the issuer's achievement of material, quantitative, pre-determined, ambitious, regularly monitored and externally verified sustainability (ESG) objectives through KPIs and SPTs"*, thereby providing *"an investment opportunity with transparent sustainability credentials"*.

for DNV GL Business Assurance España S.L.

Madrid, August 31st, 2023.

A handwritten signature in blue ink, appearing to read "Lars Appel".

Lars Appel
Project Manager
DNV – Business Assurance

A handwritten signature in blue ink, appearing to read "Juan Andrés Salido".




Juan Andrés Salido
Project Sponsor and Technical Reviewer
DNV – Business Assurance

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: Reduction in absolute scope 1 and 2 GHG emissions.	SPT 1.1: Reduce absolute Scope 1 and 2 emissions 26.9%, by 2028 coming from 555,124 tCO _{2e} in 2009 as base year.	
		SPT 1.2: Reduce absolute Scope 1 and 2 emissions 35.3%, by 2030 coming from 555,124 tCO _{2e} in 2009 as base year.	
2	KPI 2: Reduction in absolute scope 3 GHG emissions in following categories: Purchased goods and services, Upstream transportation and distribution, Waste generated in operations.	SPT 2.1: Reduce absolute scope 3 GHG emissions by 20% by 2028 coming from 2,578,515 tCO _{2e} in 2015 as base year.	
		SPT 2.2: Reduce absolute scope 3 GHG emissions by 20.2% by 2030 coming from 2,578,515 tCO _{2e} in 2015 as base year.	
3	KPI 3: Reduction of the Serious Injury and Fatality Frequency Rate (SIF-FR).	SPT 3.1: Reduce the serious injury and fatality frequency rate (SIF-FR) 35% by 2025 coming from a rate of 0.57 in 2019 as baseline year.	

SCHEDULE 2: FERROVIAL SUSTAINABILITY-LINKED FINANCING FRAMEWORK 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, July 2023 – FERROVIAL Sustainability Strategy 2030 – Sustainability Policy – FERROVIAL integrated annual report 2022 – Responsible investment and sustainability indexes. – Historical GHG emissions and SIF-FR data – Ferrovial – Peer Benchmarking, August 2023 	<p>After reviewing the evidence, DNV can confirm that FERROVIAL has chosen three 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: Reduction in absolute scope 1 and 2 GHG emissions. – KPI 2: Reduction in absolute scope 3 GHG emissions. This KPI encompasses only 3 categories of Ferrovial’s Scope 3 emissions counting for 42% in average for the period 2020-2022 of total scope 3 emissions. These categories are: <ul style="list-style-type: none"> ○ Purchased goods and services. ○ Upstream transportation and distribution. ○ Waste generated in operations. <p>These are the categories where FERROVIAL has control and more chance to influence and foster significant emissions reduction in the supply chain.</p> – KPI 3: Reduction of the Serious Injury and Fatality Frequency Rate (SIF-FR). <p>Baseline years are 2009 for KPI 1, 2015 for KPI 2 and 2019 for KPI 3. Target dates are set to 2028 and 2030 for KPI 1 and KPI 2 and 2025 for KPI 3. Historical data are available for all KPIs since their baseline years.</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 and 3 selections, as well as their definition, measurability</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				and verifiability are clearly defined and are deemed to be meaningful, reliable and in accordance with the SLLP and SLBP.
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, July 2023 – FERROVIAL Sustainability Strategy 2030 – Sustainability Policy – FERROVIAL integrated annual report 2022 – Responsible investment and sustainability indexes. – Historical GHG emissions and SIF-FR data – Ferrovial – Peer Benchmarking, August 2023 	<p>KPI 1 and KPI 2 re in line with FERROVIAL's GHG emission reduction targets for Scope 1&2 and Scope 3, validated by the SBTi and firmly aligned with a carbon reduction pathway required to meet the objectives of the Paris Agreement in line with 2°C scenario and aligned with FERROVIAL’s sustainability strategy.</p> <p>Based on the evidence reviewed, DNV can confirm that the rationale and process for KPI 1, 2 and 3 selections, as well as their definition, measurability and verifiability are clearly defined and are deemed to be meaningful, reliable and in accordance with the SLLP and SLBP.</p>
1c	KPI – Clear definition.	A clear definition of the KPI(s) should be provided and include the applicable scope or perimeter	Including management interviews DNV also undertook a review of:	KPI 2, Reduction in absolute scope 3 GHG emissions, encompasses only 3 categories of Ferrovial’s Scope 3 emissions counting for 42% in average for the period 2020-2022 of total scope 3 emissions. These categories are:

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		<p>as well as the calculation methodology.</p>	<ul style="list-style-type: none"> - Discussions with the issuer. - Sustainability Linked Financing Framework, July 2023 - FERROVIAL Sustainability Strategy 2030 - Sustainability Policy - FERROVIAL integrated annual report 2022 - Responsible investment and sustainability indexes. - Historical GHG emissions and SIF-FR data - Ferrovial – Peer Benchmarking, August 2023 	<ul style="list-style-type: none"> - Purchased goods and services. - Upstream transportation and distribution. - Waste generated in operations. <p>These are the categories where FERROVIAL has control and more chance to influence and foster significant emissions reduction in the supply chain.</p>

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, July 2023 – FERROVIAL Sustainability Strategy 2030 – Sustainability Policy – FERROVIAL integrated annual report 2022 – Responsible investment and sustainability indexes. – Historical GHG emissions and SIF-FR data – Ferrovial – Peer Benchmarking, August 2023 	<p>Aligned with the KPIs outlined above, FERROVIAL has set the following SPTs:</p> <ul style="list-style-type: none"> – SPT 1.1: Reduce absolute Scope 1 and 2 emissions by 31.9%, by 2028, coming from 555,124 tCO₂e in 2009 as base year. – SPT 1.2: Reduce absolute Scope 1 and 2 emissions by 35.3%, by 2030, coming from 555,124 tCO₂e in 2009 as base year. – SPT 2.1: Reduce absolute scope 3 GHG emissions 20% by 2028, coming from 2,578,515 tCO₂e in 2015 as base year. – SPT 2.2: Reduce absolute scope 3 GHG emissions 22.2% by 2030, coming from 2,578,515 tCO₂e in 2015 as base year. – SPT 3.1: Reduce the serious injury and fatality frequency rate (SIF-FR) 35% by 2025, coming from a rate of 0.57 in 2019 as base year. <p>DNV can confirm that SPT 1.1, SPT 1.2, SPT2.1, SPT 2.2 are in line with FERROVIAL's GHG emission reduction targets for Scope 1&2 and Scope 3, validated by the SBTi and firmly aligned with a carbon reduction pathway required to meet the objectives of the Paris Agreement in line with 2°C scenario and aligned with FERROVIAL’s sustainability strategy.</p> <p>DNV can confirm too that SPT 3.1 is in line with the Ferrovial Global Adaptation Plan focused on measuring physical climate risks, and monetizing impacts on both existing and future assets worldwide, and aligned with FERROVIAL’s Health, Safety and Wellbeing strategy.</p> <p>DNV can confirm that FERROVIAL has calibrated the ambition of these SPTs against own and peer’s performance, and best practice.</p> <p>Given that no internationally recognized benchmark is available for comparison, FERROVIAL has calibrated the ambition of SPT 3 against peer’s performance using qualitative information available about similar initiatives and results of their peers.</p> <p>Ambition of SPT 2.1 and SPT 2.2 has been calibrated by FERROVIAL considering higher reductions than expected, and required by SBTi, obtained in the period 2020-2022 due to changes</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<p>in the timing and phase of major civil works, as a consequence of the Covid-19 pandemic. With this perspective, FERROVIAL expects revenue will increase significantly in the years to come following significant growth in construction activities after the pandemic, including more than double growth in many of the countries served. Maintaining Scope 3 SBTi reduction targets and SPT 2.1 and SPT 2.2, despite expected business growth, represents a material improvement according to own and peer’s performance, as concluded from a comprehensive peer-analysis conducted by FERROVIAL. This will be possible thanks to the improvement measures and initiatives implemented.</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 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 SLLP and 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 determined on a predefined timeline, set before (or concurrently with) the issuance of the bond.	<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, July 2023 – FERROVIAL Sustainability Strategy 2030 – Sustainability Policy – FERROVIAL integrated annual report 2022 – Responsible investment and sustainability indexes. 	<p>DNV can confirm that FERROVIAL has calibrated the ambition of these SPTs against own and peer’s performance, and best practice.</p> <p>Given that no internationally recognized benchmark is available for comparison, FERROVIAL has calibrated the ambition of SPT 3 against peer’s performance using qualitative information available about similar initiatives and results of their peers.</p> <p>Ambition of SPT 2.1 and SPT 2.2 has been calibrated by FERROVIAL considering higher reductions than expected, and required by SBTi, obtained in the period 2020-2022 due to changes in the timing and phase of major civil works, as a consequence of the Covid-19 pandemic. With this perspective, FERROVIAL expects revenue will increase significantly in the years to come following significant growth in construction activities after the pandemic, including more than double growth in many of the countries served. Maintaining Scope 3 SBTi reduction targets and SPT 2.1</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
			<ul style="list-style-type: none"> - Historical GHG emissions and SIF-FR data - Ferrovial – Peer Benchmarking, August 2023 	<p>and SPT 2.2, despite expected business growth, represents a material improvement according to own and peer’s performance, as concluded from a comprehensive peer-analysis conducted by FERROVIAL. This will be possible thanks to the improvement measures and initiatives implemented.</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 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 SLLP and the SLBP.</p>
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., carbon budgets) or official country/regional/internatio 	<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, July 2023 - FERROVIAL Sustainability Strategy 2030 - Sustainability Policy - FERROVIAL integrated annual report 2022 - Responsible investment and sustainability indexes. - Historical GHG emissions and SIF-FR data - Ferrovial – Peer Benchmarking, August 2023 	<p>DNV can confirm that SPT 1.1, SPT 1.2, SPT2.1, SPT 2.2 are in line with FERROVIAL's GHG emission reduction targets for Scope 1&2 and Scope 3, validated by the SBTi and firmly aligned with a carbon reduction pathway required to meet the objectives of the Paris Agreement in line with 2°C scenario and aligned with FERROVIAL’s sustainability strategy.</p> <p>DNV can confirm too that SPT 3.1 is in line with the Ferrovial Global Adaptation Plan focused on measuring physical climate risks, and monetizing impacts on both existing and future assets worldwide, and aligned with FERROVIAL’s Health, Safety and Wellbeing strategy.</p> <p>DNV can confirm that FERROVIAL has calibrated the ambition of these SPTs against own and peer’s performance, and best practice.</p> <p>Given that no internationally recognized benchmark is available for comparison, FERROVIAL has calibrated the ambition of SPT 3 against peer’s performance using qualitative information available about similar initiatives and results of their peers.</p> <p>Ambition of SPT 2.1 and SPT 2.2 has been calibrated by FERROVIAL considering higher reductions than expected, and</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		<p>nal targets or to recognised Best-Available-Technologies or other proxies.</p>		<p>required by SBTi, obtained in the period 2020-2022 due to changes in the timing and phase of major civil works, as a consequence of the Covid-19 pandemic. With this perspective, FERROVIAL expects revenue will increase significantly in the years to come following significant growth in construction activities after the pandemic, including more than double growth in many of the countries served. Maintaining Scope 3 SBTi reduction targets and SPT 2.1 and SPT 2.2, despite expected business growth, represents a material improvement according to own and peer’s performance, as concluded from a comprehensive peer-analysis conducted by FERROVIAL. This will be possible thanks to the improvement measures and initiatives implemented.</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 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 SLLP and the SLBP.</p>
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. 	<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, July 2023 – FERROVIAL Sustainability Strategy 2030 – Sustainability Policy – FERROVIAL integrated annual report 2022 – Responsible investment and sustainability indexes. 	<p>Aligned with the KPIs outlined above, FERROVIAL has set the following SPTs:</p> <ul style="list-style-type: none"> – SPT 1.1: Reduce absolute Scope 1 and 2 emissions 31.9%, by 2028, coming from 555,124 tCO2e in 2009 as base year. – SPT 1.2: Reduce absolute Scope 1 and 2 emissions 35.3% by 2030, coming from 555,124 tCO2e in 2009 as base year. – SPT 2.1: Reduce absolute scope 3 GHG emissions 20% by 2028, coming from 2,578,515 tCO2e in 2015 as base year. – SPT 2.2: Reduce absolute scope 3 GHG emissions 22.2% by 2030, coming from 2,578,515 tCO2e in 2015 as base year. – SPT 3.1: Reduce the serious injury and fatality frequency rate (SIF-FR) 35% by 2025 coming from a rate of 0.57 in 2019 as base year.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		<p>4. Where possible and taking into account competition and confidentiality considerations, how the issuers intend to reach such SPTs.</p>	<ul style="list-style-type: none"> – Historical GHG emissions and SIF-FR data – Ferrovia – Peer Benchmarking, August 2023 	<p>Specific target observation dates will be specified for each instrument issued under this Framework, in the relevant instrument specific documentation.</p> <p>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 SLLP and the SLBP.</p>

3. Bond/Loan Characteristics

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Loan/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).	<p>Including management interviews DNV also undertook a review of:</p> <ul style="list-style-type: none"> – Sustainability Linked Financing Framework, July 2023. 	<p>A step-up coupon or margin adjustment will be applied according to the achievement or not of the selected SPTs on the specific target observation dates. For some short-term instruments where a step-up coupon or increased margin adjustment is not feasible, other forms of economic impact in the issuer / borrower will be applied, as for example donations to environmental and/or social projects.</p> <p>Based on the evidence reviewed, DNV can confirm that the step-up coupon or increased margin characteristics is in line with the requirements of the SLLP and SLBP.</p>
3b	Loan/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,</p>	<p>Including management interviews DNV also undertook a review of:</p> <ul style="list-style-type: none"> – Sustainability Linked Financing Framework, July 2023. 	<p>If, for any reason, the performance level against each SPT cannot be calculated or observed, the step-up coupon or increased margin adjustment of the instrument will be applicable. For some short-term instruments where a step-up coupon or increased margin adjustment is not feasible, other forms of economic impact in the issuer / borrower will be</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		<p>language in the Loan documentation to take into consideration potential exceptional events.</p>		<p>applied, as for example donations to environmental and/or social projects.</p> <p>Based on the evidence reviewed, DNV can confirm that the step-up coupon or increased margin characteristics is in line with the requirements of the SLLP and SLBP.</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"> - Sustainability Linked Financing Framework, 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 and SLLP.</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, July 2023.	FERROVIAL has committed to conducting a second party opinion on the Framework, meeting the SLLP and 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, July 2023.	DNV can confirm FERROVIAL has committed to report the performance and related impact of KPI/SPTs on annual basis as part of 's annual Integrated Report. The report will be verified by an appropriate qualified independent party of assurance and will be made available on FERROVIAL website. DNV can confirm FERROVIAL has committed obtaining verification in line with the requirements of the SLLP and SLBP.