

SUPPLY CHAIN

# Sustainability in the value chain

Promoting sustainable procurement and incorporating ESG criteria in the supply chain are two of Ferrovial's priorities in this area.

The company promotes digitalization, incorporates tools, applies procedures and develops projects aimed at promoting the sustainability of its supply chain through a deeper knowledge of the type of suppliers that provide the company with products and services.

The company analyzes the degree of criticality of all its suppliers, considering critical suppliers as those whose purchasing volume is significant from an economic point of view, or those whose supplies or services could have a negative impact on business continuity in the event of an incident, either because they manufacture critical materials or equipment, or because they are difficult to replace. Based on these criteria, at the end of 2022 there were 123 critical suppliers identified in the Construction division, of which 121 were Tier-1 and 2 Tier-2.

During 2022, 15,292 suppliers were incorporated into Ferrovial's supply chain, and more than 12,000 were evaluated, of which less than 1% were rejected. In terms of supplier revenue, a total of 24.27% corresponded to critical suppliers, while 97.03% came from local suppliers.

## INTEGRATION OF ESG PRINCIPLES

Ferrovial has a Suppliers Code of Ethics, integrated into the Suppliers Ethical Integrity Due Diligence Procedure. Knowledge of it is a mandatory requirement for suppliers in orders and contracts, and includes the basic principles that should govern the behavior of all suppliers in their business relationship with the company. It is aligned with and complements other corporate policies, especially the Code of Ethics, and Corporate Responsibility, Human Rights, Quality and Environment and Anticorruption policies.

In addition, all model orders and contracts include environmental, social and labor, health and safety, compliance with the Global Compact Principles, as well as ethics and anticorruption clauses, in line with the Code of Ethics and Compliance Policies, thus ensuring compliance with ESG requirements.

ESG issues are also considered in the supplier analysis. In this regard, suppliers are classified as high-risk suppliers from a sustainability standpoint if they supply products considered high-risk or from sectors characterized as high-risk, and if they manufacture the products supplied in countries considered to be at risk. In the case of Ferrovial, this list is limited to some suppliers of personal protective equipment. At the end of 2022, this list consisted of three suppliers in Construction, all of which are subject to special monitoring.

The evaluation and monitoring of supplier performance also include ESG criteria. The Construction division has a computer application for the evaluation and monitoring of each supplier based on the evaluations carried out at each construction site or work center. It includes, among other aspects, compliance with occupational health and safety, anticorruption policy and environmental criteria. These evaluations allow us to qualify suppliers on an ongoing basis and are available at an international level for both site managers and other authorized personnel involved in the purchasing and supplier management process. Evaluations with incidents are communicated in real time, so that purchasing managers can make decisions with up-to-date information.

The result of the evaluations may result in a warning to the supplier, the establishment of an improvement action plan, or even disqualification from working with Ferrovial, depending on the seriousness of the incident, especially if non-compliance with the Anticorruption Policy is verified.

## SUSTAINABLE PROCUREMENT

The application of new technologies and the development of innovation projects are key to achieving an agile, efficient and transparent supply chain that incorporates sustainability principles into its supplier selection processes. The most noteworthy initiatives are as follows:

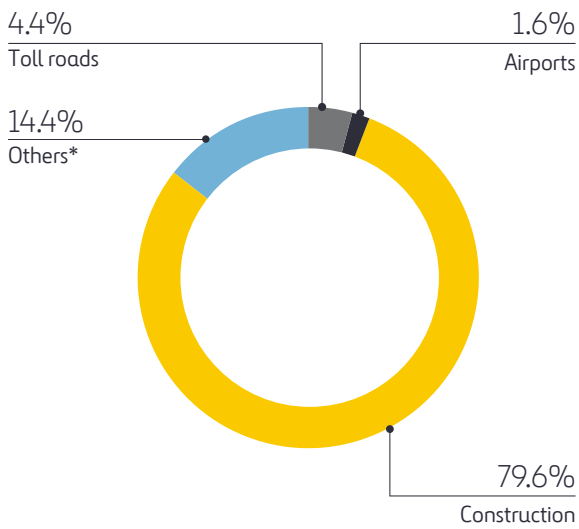
- Low Carbon Concrete Project: launched in 2022, it aims to identify the most innovative projects worldwide for the development of sustainable concretes (with low levels of CO<sub>2</sub> emissions), and which can also contribute to the improvement of prefabrication processes, cured or optimized mixes for their possible use on site.
- Guide to Procurement Aligned with EU Taxonomy: developed in 2022, its purpose is to bring together the necessary information and establish the principles to advise contract purchasers on procurement to comply with the taxonomy requirements.





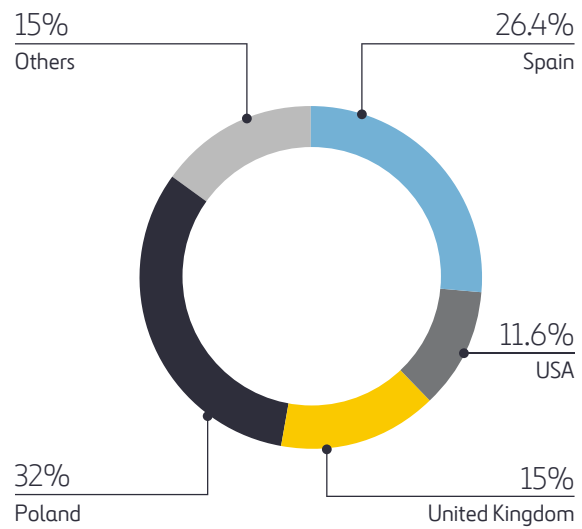
Employees at Ferrovial's office, Madrid, Spain.

### SUPPLIERS BY DIVISION



\* Includes Corporation (580) and Services (6,746)

### SUPPLIERS BY COUNTRY



- Purchase of electricity from renewable sources: the company promotes the purchase of electricity with a guarantee of origin and is progressively advancing towards the 100% target set out in the Horizon 24 Strategic Plan by 2025. In 2022, 70% of the electricity purchased was produced from renewable sources.
- Efficient vehicle fleet: the company has also established in Horizon 24 the objective of reaching a 33% emission reduction from fleet vehicles by 2030. In addition, hybrid and plug-in hybrid vehicles continue to be added to the fleet, resulting in a substantial and continuous reduction in emissions levels.
- Green Purchasing Catalog: during 2022 we have continued to update and increase the information available in the catalog in order to promote the purchase of sustainable products. In Construction, alternatives for the supply of green products with Environmental Product Declarations and Ecolabel products have been incorporated, as well as other information accrediting the improvements in sustainability, in order to make them available to customers both in the contracting and execution phases.

## Supplier360, a tool to support supply chain management

Ferrovial uses Supplier360, an IT tool that monitors suppliers using advanced data analytics techniques, language processing and internet searches. This enables to detect potential risks, whether financial, environmental, legal, labor or reputational. The platform provides additional information to that already available in the supplier databases for the selection, contracting and follow-up phases.

At the end of 2022, a total of 724 Ferrovial Construction suppliers were monitored, representing more than 60% of supplier turnover in Spain, USA and UK. The tool has reported a total of 393,034 supplier information obtained from the different websites and platforms it accesses.

In 2023, Ferrovial Construction will integrate the information from Supplier360 into the inSite project management tool, allowing access to the information obtained by the platform for all projects.