TAXONOMY

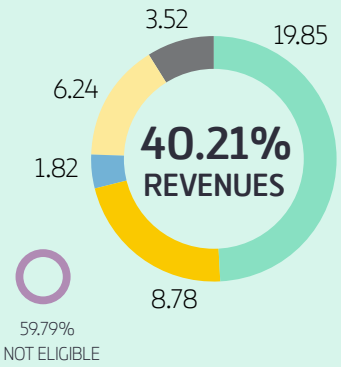
European taxonomy

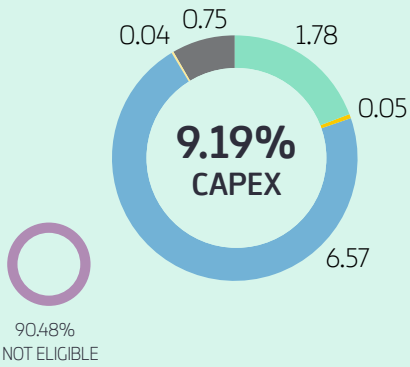
The second year of application of the European Taxonomy incorporates the alignment of mitigation and adaptation to classify businesses and corporate activities. Eligibility was determined last year. This is a key element for the decarbonization of the economy. Environment is the first component addressed. Social and governance will follow.

ELIGIBILITY

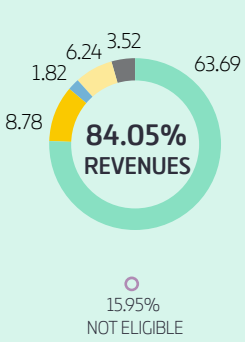
Transportation · Construction · Energy · Water · Others

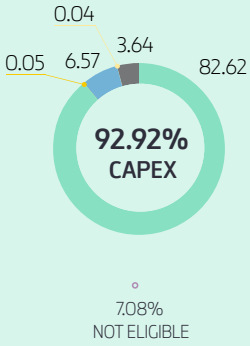
RESTRICTIVE SCENARIO





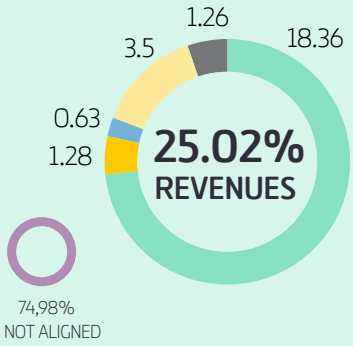
SECTORIAL SCENARIO

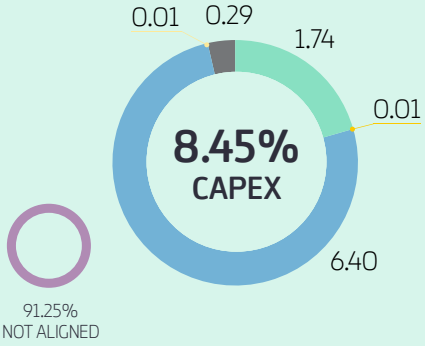




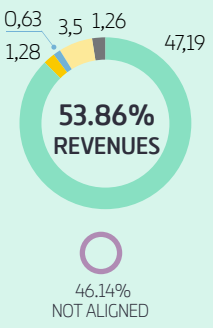
ALIGNMENT (OVER TOTAL GROUP)

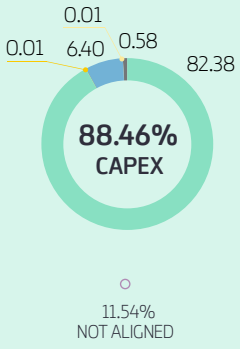
RESTRICTIVE SCENARIO





SECTORIAL SCENARIO





NOTE: the difference between the two scenarios is marked by activity 6.15.
Sectoral scenario: the interpretative criteria used are strictly those included in the guide "European Taxonomy applied to road projects".
Restrictive scenario: The difference with the sectoral scenario is that in this restrictive scenario, activity 6.15 is neither eligible nor aligned.

STAGES OF GREEN TAXONOMY

THE THREE COMPONENTS

ENVIRONMENT

- Climate change mitigation and adaptation
- Water, circular economy, pollution and biodiversity

SOCIAL

- Diversity, safety and health, labor rights and human rights
- Social impact and development

GOVERNANCE

- Board diversity and governance structure
- Senior Management Compensation

Taxonomy

INTRODUCTION

In compliance with the provisions of the European Union Regulation[1] (EU) 2020/852 to facilitate the redirection of capital flows towards more sustainable activities and according to the provisions of RD[2] (EU) 2021/2178, in the 2023 report, it is required to report the percentage of INCN (Net Turnover Amount), CapEX ("capital expenditure") and OpEX ("operation expenditure"), of the company's activities that adhere to the requirements of the taxonomy through the standardized reporting formats provided by RD2 (EU) 2021/2178 of the European Commission.

This chapter complies with the requirements set forth in RD[2] (EU) 2021/2178, which specifies the content, presentation of the information and methodology to be disclosed by companies subject to Articles 19a or 29a of Directive 2013/34/EU, based on activity data for the year 2022.

Continuing the taxonomy exercise carried out in the previous year, which ended with the publication of the eligible financial indicators according to the activities of the Delegated Regulation (RD)[3] (EU) 2021/2139, the eligible activities identified in the previous year have been reviewed, and subsequently, new ones have been identified.

During the taxonomy analysis and the process of calculating the financial indicators, on December 19, 2022, the European Commission published its clarification notes (DRAFT COMMISSION NOTICE[4]) for the interpretation aid for the criteria for the alignment of activities and its clarification notes for the interpretation in the implementation of Article 8 of the European Taxonomy[5]. These notes clarify part of the application criteria, although they do not clarify part of the criteria for some activities that present great sectoral uncertainty on the considerations for their interpretation. Additionally, in an exercise of transparency, companies are given the opportunity to justify their understandings through this report.

In the context of the taxonomy analysis, the **following concepts** are distinguished:

- **Eligible (tables revenues and CapEX)**: referring to activities with alignment potential included in (RD) (EU) 2021/2139 Annex I (mitigation) and Annex II (adaptation).
- **Ineligible (tables revenues and CapEX)**: referring to activities not included in (RD) (EU) 2021/2139, either by:
  - Generate a significant negative impact on EU objectives,
  - Not making a substantial contribution to climate change mitigation and adaptation,
  - Integration in future developments, revisions of the EU taxonomy, or approvals by the European Parliament and Council.

- **Aligned Eligible (tables revenues and CapEX)**: referring to eligible activities that meet the criteria of substantial contribution (SCC) to one of the objectives developed (mitigation or adaptation), that ensure that they do not significantly harm the rest of the objectives (HSDN) and that are carried out in accordance with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights (Social Minimum Safeguards).
- **Eligible non-aligned (tables revenues and CapEX):** eligible activities that do not meet any of the requirements of the alignment analysis phases described above (CCS, DNSH and Safeguards).

FERROVIAL'S POSITION

The relevance and need for new sustainable infrastructure becomes more important in the context of climate change mitigation and adaptation plans, highlighting the clear purpose of infrastructure companies where Ferrovial plays a key role. The Taxonomy reinforces the existing **Horizon 24 Strategic Plan** focused on the development, construction and operation of sustainable infrastructure, as well as mobility, water resource management, building and electrification.

Ferrovial's activities in construction, toll roads management, airports, energy infrastructure and mobility are a response to the objectives set by the EU. The company has the experience and capabilities to develop sustainable transport infrastructures that solve urban congestion and offer more innovative and low-carbon mobility alternatives.

Developing the company's purpose, Ferrovial is implementing innovative solutions in the field of digitalization, which, together with commitments to decarbonization, coincide with the search for safety on the route and reliability of travel times, which is demanded by the main customers. As an example of these practices, the "Managed Lanes" are proving to be a solution for operational efficiency committed to the environment and with successful cases already in operation, such as in Texas or North Carolina. These innovative solutions are in line with the need to implement the so-called " Intelligent Transport Systems (ITS)" promoted by the European Commission.

In addition, and in line with other activities included in the climate taxonomy, our best practices in wastewater management and water

1 Regulation (EU) 2020/852: https://eur-lex.europa.eu/ES/legal-content/summary/assessing-environmentally-sustainable-investments.html#: :text=Reglamento%20(UE)%20 2020%2F852%20del%20Parlamento%20Europeo%20y%20del,13%2D43).
2 RD (UE) 2021/2178: https://eur-lex.europa.eu/legal-content/ES/TXT/?uri=CELEX%3A32021R2178
3 Delegated Regulation (RD) (EU) 2021/2139: https://eur-lex.europa.eu/legal-content/ES/TXT/?uri=CELEX%3A32021R2139
4 DRAFT COMMISSION NOTICE (FAQs): https://ec.europa.eu/finance/docs/law/221219-draft-commission-notice-eu-taxonomy-climate.pdf
5 Interpretation in the implementation of Article 8 of the European Taxonomy: https://ec.europa.eu/finance/docs/law/221219-draft-commission-notice-disclosures-delegated-act-article-8.pdf

treatment, with noteworthy projects such as the "Thames Tideway Tunnel", in the construction of infrastructure for rail transport (California High-Speed Rail) and in the company's promotion of efficient energy management, production and transmission activities, stand out. In the energy sector, the company has boosted rapid growth through its energy subsidiaries, in line with the **Horizon 24 strategy** and which has gained significance with the development of taxonomy and other regulatory developments and European strategies.

Therefore, Ferrovial will continue to respond to the demands of both public and private clients, and will develop the necessary tools to provide solutions to future and current regulatory developments, developing and operating sustainable, innovative and efficient infrastructures, creating value for stakeholders.

Finally, Ferrovial sets out the technical criteria which, in its opinion and by virtue of the sectoral publications available at the date of this report, best enable compliance with the information on eligible activities and, where applicable, aligned , as well as the results of their application to the Group as a whole.

FERROVIAL PROCEDURE

Taxonomy implementation management

The implementation of the EU Taxonomy in a globally operating infrastructure Group has presented several challenges which have been addressed with an integrated top-down approach reaching the level of the minimum management unit i.e. contract/service/asset.

Accordingly, Ferrovial has deployed a specific **Action Plan** with several phases, starting with a process of understanding and interpretation of the taxonomy criteria involving the different business units, an internal training exercise and a compilation of information on taxonomic criteria involving all group companies included in the consolidation perimeter. This financial consolidation perimeter has served to delimit the scope of the taxonomy exercise by linking the compliance percentages directly to the figures obtained in the financial consolidation process.

As a result of this Action Plan and the need to deal with information in multidisciplinary teams, a Taxonomy governance model has been established, comprising the Economic-Financial, Communication and Corporate Social Responsibility and Sustainability departments.

As in the previous year, the company has started the taxonomy evaluation process in the identification of eligible and non-eligible economic activities, taking into account all the companies in which it has economic control, meaning a shareholding of more than 50%. In these cases, the totality of the information is reported. In relation to the companies sold during the 2022 financial year, these would be outside the scope of the analysis as they work with consolidated data at year-end[*].

During this process, identified 26 activities of those carried out by Ferrovial included in Annex I of (RD) (EU) 2021/2139 of activities that contribute to climate change mitigation.

In order to ensure traceability and making an effort in the calculation of taxonomic indicators to ensure their robustness, during this fiscal year specific taxonomy communication channels have been implemented and the collaboration of those responsible for each business analyzed has been sought (more than 300).

Throughout the process, the understanding developed by the company has been subjected to an external contrast, resulting in a sectorial understanding exercise at national and European level, where disparity of approaches on the taxonomy regulation and its application within the companies have arisen. In this aspect, it is worth mentioning the work carried out with the Association of Infrastructure Construction and Concession Companies (SEOPAN) and with the rest of the infrastructure operators, in the pursuit of clear guidelines for the homogeneous application of the criteria of the taxonomy regulation.

Financial considerations in the calculation of the taxonomy numerator and denominator

Due to the atomization of the company, in order to determine the eligibility of activities exhaustively, the analysis has been carried out at the level of the minimum management unit of the companies that consolidate in the Group, classifying each profit center under a single taxonomic activity and a single objective. This exercise has been automated in Ferrovial's accounting systems, which allows for better traceability of the data. In this sense, the financial and sustainability areas of the different Group companies have assigned the percentage of INCN, CapEX and OpEX that coincides with the description of the activities listed in the Delegated Climate Regulation based on the type of contracts, works or active services [*].

In order to avoid the computation of intercompany transactions, these percentages have been applied to the consolidated accounting figures of the companies under analysis. This individual allocation **makes it possible to link the indicators to the consolidated group figures presented in the annual accounts report, thus avoiding double financial accounting.**

Although Ferrovial carries out activities that could contribute to the climate change adaptation objective (included in Annex II of (RD) (EU) 2021/2139), in the analysis carried out in this first year of alignment the company has only considered the climate change mitigation objective, thus avoiding double counting in the calculation of financial indicators for the same profit center.

For the calculation of the taxonomy indicators expressed in this chapter, qualitative and quantitative information has been collected from eligible projects according to the criteria of each taxonomic activity identified to determine the monetary amounts to be included in the required denominators and numerators.

The considerations on the accounting notes included in each indicator are developed within the section "CALCULATION AND RESULTS BY KPI ANALYZED" in line with the previous year's report.

Understanding of taxonomy criteria by taxonomic activity groups

Currently, as of the date of this report, and in line with the clarifications published by the European Commission, the technical interpretation of the main activities identified as eligible and aligned is broken down below:

Group 4: Energy

Eligibility exercise

For the eligibility calculation, we have taken into account the works/ services related (including construction and operation) in the

[*] The list of subsidiaries and associated companies can be consulted in Appendix II of the Consolidated Financial Statements.

infrastructure for the generation of electricity using solar photovoltaic technology (activity 4.1), the generation of electricity from hydroelectric power (activity 4.5) and the transmission and distribution of electricity (activity 4.9), identified as the most relevant activities of this group.

Additionally, contracts and services related to activities 4.2, 4.3, 4.15 and 4.20 have been identified, which, although they do not have a material impact on the eligibility indicators, have been analyzed contract by contract according to the descriptions in the regulations.

Alignment Exercise

For the alignment calculation, the application criteria for each of the activities have been taken into account, and a request has been made for information on the indicators required by the technical selection criteria. In this group, the Casilla Solar Park project (activity 4.1) stands out, where the substantial contribution criteria indicate that the activity must indeed be an activity of electricity production through photovoltaic solar energy and the projects for the installation and construction of electricity transmission lines in Chile (4.9), where specific Second Opinion Reports have been used to respond to the criteria of the environmental taxonomy (by favoring the entry of renewable energy into the national grid and thus reducing its carbon intensity) and other standards of measurement of sustainable finance.

In cases where information has been required from the developer, such as the characteristics of the installed equipment, the availability of Life Cycle Assessment (LCA) or confirmation of the absence of PCB use, the project manager has been contacted directly through the specific taxonomy channel.

Group 5: Water supply, sewerage, waste management and remediation activities

Eligibility exercise

For the eligibility calculation, works/services related to the construction, expansion and operation/renewal of water collection, purification and distribution systems (activity 5.1 / activity 5.2), and the construction, expansion and operation of wastewater collection and treatment systems (activity 5. 3) have been taken into account. Due to the nature of this business, in many cases it is possible that the contractual management encompasses the entire water cycle. In these cases, the most relevant activity of the plant by business criteria or by the economic activity indicated in the contract has been considered as eligible.

Desalination-related projects have not been included as eligible activities for the time being. However, and given the recommendation of the Sustainable Finance Technical Group, their inclusion under the adaptation objective will be considered in future developments of the taxonomy regulation.

In addition, activities in the area of waste management have been identified corresponding to the collection and transportation of non-hazardous waste in segregated fractions at source (5.5), the composting of bio-waste (5.8), the recovery of non-hazardous waste materials (5.9) and the capture and use of landfill gas (5.10). These activities in the field of waste management correspond mainly to the activity carried out by the Group's subsidiary "Thalia Waste Management" in the United Kingdom.

Exercise of Alignment

For the alignment calculation, the substantial contribution criteria established in the water treatment and purification activities, which refer to the energy consumption of these systems, have been taken into account and contrasted with the energy consumption data of the plants operated by Ferrovial. This exercise has been possible thanks to the availability of data obtained from other Group procedures, such as the measurement and verification of the Carbon Footprint.

Given the impossibility of obtaining consumption data during the construction phase, some of the plants have also been analyzed through their design data, giving as aligned some projects in the construction phase as long as they comply with the rest of the DNSH criteria and the design range is included in the Substantial Contribution Criteria. On the other hand, and supported by FAQ#9 of the explanatory notes of the European Commission*, projects such as pipeline construction, pipeline system improvements or distribution system improvements, have not been considered to have substantial contribution criteria of application in the current version of the regulation, understanding their compliance and their application will be studied in future objectives and revisions.

In the case of projects developed in the field of waste management, compliance with the technical selection criteria such as the preparation of non-hazardous waste for reuse and recycling operations, separation of composted biowaste, use of gas for electricity generation or heat as biogas, among others, has been possible thanks to the collection of evidence reported for compliance with environmental regulations in the United Kingdom. These activities require a qualitative and quantitative compliance in most cases, which has been possible to justify through contractual evidence and administration requirements. The activities carried out in the UK are operated in accordance with the highest quality standards and are periodically reviewed for compliance by the local environmental authority.

Group 6: Transportation

Activities 6.13 6.14, 6.16 and 6.17

Exercise of eligibility

It takes as a starting point the definition of "eligible activity" provided by the Taxonomy Regulation, whose descriptions in Annex I of mitigation refer specifically to: the construction and operation of infrastructure for personal mobility, bicycle logistics (activity 6.13), for rail transport (activity 6.14), the construction and operation of infrastructure enabling low-carbon road transport and public transport (activity 6.15), as well as inland waterway transport (activity 6.16) and low-carbon airport infrastructure (activity 6.17).

It is highlighted at this point that the interpretative FAQ#9, published by the European Commission on February 2, 2022, establishes that eligibility does not depend on the fulfillment of the technical selection criteria, but exclusively on the description of the activity and its alignment potential, especially in those activities that include the term "hypocarbon".

*DRAFT COMMISSION NOTICE (FAQs): https://ec.europa.eu/finance/docs/law/221219-draft-commission-notice-eu-taxonomy-climate.pdf

Alignment exercise

- **Contribution to the substantial contribution criteria:** The typology of the infrastructure and its purpose (e.g. transport of goods or passengers, as well as whether there is an electrification plan) have been verified through the project's technical report. Additionally, the technical report of the project has been used to verify that it is not exclusively dedicated to the storage or transport of fossil fuels in activities 6.14, 6.16 and 6.17. It is understood that a general use infrastructure, which can share passenger and freight uses, will not be dedicated exclusively to the transport or storage of fossil fuels, so the criterion will be considered to be met in this case. In cases where there is an exclusive use dedicated to fossil fuels that does not exceed 25% of the general use of the infrastructure, this share will be discounted from the taxonomic indicators. This threshold is established in accordance with FAQ# 72 of the December explanatory notes, being in line with other environmental standards.
  To demonstrate compliance with the rest of the criteria for transport activities, the availability of evidence supporting the requirements of each of these sections has been evaluated asset by asset. In this context, documents have been requested such as: Environmental Impact Assessments, Environmental Monitoring Plans, Construction and Demolition Waste Recovery Indicator Reports, flora and fauna management plans, as well as corrective measures plans for the mitigation of noise, dust, among others.

Activity 6.15

Eligibility exercise

Activity 6.15 above deserves a separate consideration, where two different interpretations of the eligibility criteria have been established:

- **Literal/restrictive criterion**. It is interpreted that the term "infrastructure" does not refer to the road as a whole, but only to those parts of the road that expressly serve low-carbon transport (according to the criteria of Regulation 2021/2139), i.e.: the circulation of zero emission vehicles, intermodal freight transport (terminal infrastructure and superstructures for loading, unloading and transshipment), as well as infrastructure and facilities that are intended for urban and suburban public passenger transport. Additionally, FAQ#101 states that "engineering and technical consulting services" for "intelligent transport systems" that serve to connect intermodal passenger transport, optimize traffic flow, reduce congestion, facilitate energy efficiency in road transport, and/or electronic tolling systems would be eligible. These criteria did not appear in the Taxonomy Regulation, and therefore have not been considered eligible. ***This will be the criteria for reporting in the European Commission tables.***
- **Criterion established by the consensus of the sector in Spain**, which is included in the guide "European Taxonomy applied to road projects" published in 2022 by SEOPAN (CEOE). This criterion differs from the previous one in two fundamental aspects: (a) it considers that the transport of current zero-emission vehicles would not be possible without a road or highway to enable their circulation, so the concept of eligible "infrastructure" would encompass the whole road and not just parts of it; and (b) in line with what is included in FAQ#101, it is considered that those infrastructures that integrate intelligent systems for the optimization of traffic flows and the reduction of congestion would be eligible as a whole, given that engineering systems, on their own, would lack utility without a road to support them. In the specific case of Ferrovial, this technical description would fit with the so-called "Managed Lanes". ***This criterion will not be reported in the European Commission tables.***

Alignment Exercise

Activity 6.15

- **Literal/restrictive criterion.** According to this criterion, only road infrastructure and facilities that serve for substantial contribution would be aligned, namely: electric recharging facilities, grid connection upgrades, hydrogen refueling stations, terminals and superstructures for loading, unloading and transshipment of goods, as well as facilities dedicated to urban and suburban public passenger transport, including associated signaling systems for metro, streetcar and rail transport systems.
  Additionally, given that the literal meaning of the above-mentioned FAQ#101 only establishes criteria for the eligibility of intelligent transport systems, but not for alignment, the literal and restrictive interpretation of these new criteria would recommend excluding this activity from the analysis and evaluation, as well as the infrastructures (in whole or in part) that meet this definition. Therefore, there are no technical criteria that can be met to affirm that this activity is eligible and has the capacity to be aligned. This will be the criterion for reporting in the European Commission tables.
- **Criteria established by industry consensus in Spain**. In the absence of other technical standards of higher rank, the interpretative criteria used for the alignment are strictly those included in the guide "European Taxonomy applied to road projects", published in 2022 by SEOPAN (CEOE), which contemplate the alignment of the whole road instead of parts of it, as long as the infrastructure and facilities detailed in the criteria of substantial contribution are incorporated.
- In addition, and with regard to FAQ #101 mentioned above, the consensus of the sector interprets that the whole of the infrastructure that integrates the "intelligent transport systems" described in the previous paragraph would be aligned, for the same reasons as stated above. In this sense, Ferrovial's own solution ("Managed Lanes") is identified as a solution that contributes to the reduction of emissions per vehicle by optimizing traffic flows and reducing congestion time. This assertion is supported by the studies carried out by the Company in its assets of these characteristics in the USA. It is also noted that in the company's concession assets where these management systems are in operation, mitigation measures and incentives for public transport and for the circulation of additional zero-emission vehicles are also implemented. **This criterion will not be reported in the European Commission tables.**

  It is noted that the difference between the sectorial criterion (included, as mentioned above, in the SEOPAN guide), and the more restrictive one, significantly affects the final results for FY2022 in terms of CAPEX and INCN (see table below). These new criteria lead to a change in the FY2021 eligibility results and are restated under this new criteria:

*DRAFT COMMISSION NOTICE (FAQs): https://ec.europa.eu/finance/docs/law/221219-draft-commission-notice-eu-taxonomy-climate.pdf

		Results 2022		Results 2021	
		INCN	**CAPEX**	**INCN**	**CAPEX**
Sector scenario	**Eligible**	84.05%	92.92%	89.32%	92.92%
	Aligned	53.86%	88.46%	NA	
	Aligned over eligible	64.08%	95.20%		
Restrictive scenario	**Eligible**	40.21%	9.19%	39.65%	22.89%
	Aligned	25.02%	8.45%	NA	
	Aligned over eligible	62.22%	91.88%		

Eligibility 2021: %INCN eligible 39.65% (vs. 89.32% published in the 2021 IAI. - Eligible %CAPEX 22.89% (vs. 84.57% published in the IAI 2021).

Compliance with the DNSH

Activity 6.15

To demonstrate compliance with the rest of the criteria of activity 6.15, the availability of evidence supporting the requirements of each of these sections has been evaluated asset by asset. In this context, documents have been requested such as: Environmental Impact Assessments, Environmental Monitoring Plans, Construction and Demolition Waste Recovery Indicator Reports, flora and fauna management plans, in addition to corrective measures plans for the mitigation of noise, dust, among others.

Group 7: Building construction and real estate development

Eligibility exercise

For the eligibility calculation, the activities of construction of new residential and non-residential buildings (activity 7.1) and renovation of existing buildings (activity 7.2) have been taken into account.)
Works for the construction or renovation of buildings dedicated to the storage of fossil fuels or industrial buildings for petrochemical or fuel refining purposes have been discarded, even though the regulations do not expressly exclude them from this activity within the eligibility description. In cases where a building has been constructed with shared uses, including fossil fuel-related uses, the percentage referring to this infrastructure has been excluded from the calculation of the taxonomic financial indicators.

Additionally, contracts and services related to activities 7.3, 7.5 and 7.6 have been identified, which, although they do not have a material impact on the eligibility indicators, have been analyzed contract by contract according to the descriptions in the regulations.

Alignment Exercise

For the alignment calculation, the activities of construction of new residential and non-residential buildings (activity 7.1) and renovation of existing buildings (activity 7.2) have been taken into account. In this activity, infrastructures for fossil fuel storage have been discarded from the eligibility phase.

- **Contribution to the substantial contribution criteria.** The substantial contribution criteria for buildings pose a series of problems of application as of the date of this report. On the one hand, the definition of the nearly zero energy building proposed by the taxonomy is a figure established in the technical building code in its version after 2020, so that a large part of the current building projects do not take it into account from the design phase and makes it impossible to verify the reduction required by the regulation. For this reason, efforts have been focused on those building projects after that date and with unique characteristics or requirements, resulting in a low degree of alignment at present. For these projects, the analysis has been based on the information gathered by other sustainable building certifications and a review of the Energy Saving measures stipulated in the building codes that adapt the requirements of Directive 2010/31/EU on Energy Efficiency of Buildings has been carried out.
On the other hand, the rest of the substantial contribution criteria pose a challenge for builders in the sector. Many of the requirements are determined from the design phase and, therefore, either this consideration is not available or it is not possible to access the necessary evidence.
The company is working on the system for capturing the necessary evidence and has carried out specific training with the departments involved in building, so it is expected that their degree of alignment will increase as tools are developed in the sector for this purpose.
Good practices in the company's construction activities allow compliance with many of the DNSH criteria specified in the building activities. However, some of these criteria, identified outside the scope of the construction stage, and in some cases have been determined as non-applicable in accordance with FAQ#9 of the explanatory notes, published on December 19, 2022 by the European Commission in order to be able to advance the analysis. As, for example, it has been assumed that the biodiversity DNSH does not apply in cases of new construction in urban environments and built on buildable land under the aforementioned FAQ.
Particularly relevant is the analysis of the polluting substances described in Appendix C of the Delegated Regulation and the integration of these criteria into the company's internal and purchasing procedures.
For this reason, compliance with the taxonomy criteria, and in the absence of sector criteria, ***can only occur in singular building projects***, which in many cases demand more demanding requirements than those set forth in the construction standards and which, in most cases, are backed by sector certifications such as BREEAM, LEED or WELL.

Group 8 : Information and communication

Eligibility exercise

Contracts and services related to activity 8.1 have been identified, which, while not having a material impact on the eligibility indicators, have been analyzed on a contract-by-contract basis according to the descriptions in the regulations.

Alignment exercise

In order for data processes, hosting and related activities to make a meaningful contribution to climate change mitigation, they must meet two main technical criteria:

- Implementation of the practices foreseen in the most recent version of the European Code of Conduct on Data Center Energy Efficiency, as well as its verification by a third party at least every three years.
- Use of refrigerants in the data center cooling system that have the global warming potential (GWP) below 675.

In its December 2022 draft FAQ, the European Commission provided clarification on the criteria for compliance and verification of the code of conduct in relation to a given activity. According to this response, an assessment framework will be implemented in early 2023 to complement the code of conduct, with the aim of establishing a framework for external verification of compliance with the practices set out in the code of conduct.

Ferrovial has considered that it is not possible to report on compliance with the technical criteria in relation to the 2022 financial year, as the corresponding framework is not yet available.

Block of cross-cutting interpretations:

DNSH adaptation:

Ferrovial -in collaboration with the Environmental Hydraulics Institute of the University of Cantabria- has developed a methodology for identifying and analyzing the physical climate risks that may affect its infrastructures, as well as proposing adaptation programs with measures to mitigate the associated impacts.

This methodology contemplates the different types of infrastructures that the company develops and operates around the world. The analysis is carried out in the short (2025), medium (2030) and long (2050) term in different climate scenarios (RCP 4.5 and RCP 8.5). The procedure considers the risk framework defined by the Intergovernmental Panel on Climate Change (IPPC), which focuses on the analysis of hazard, exposure and vulnerabilities of assets in different time horizons and climate scenarios.

ADAPTARE is the software tool developed to automate this methodology, which will facilitate the analysis and interpretation of the information.

In this way, Ferrovial complies with the DNSH of adaptation included in the Taxonomy Regulation of the European Union.

As a result of the work carried out in 2022, the organization has compiled the physical climate risk analysis of its activities in a plan including a corrective action program to mitigate the impact of significant risks.

Social safeguards:

Ferrovial complies with the minimum safeguards established in Articles 3 and 18 of the Taxonomy Regulation in relation to human rights, corruption, taxation and fair competition. In this regard, a body of policies (Human Rights Policy, Anti-Corruption Policy, Tax Compliance and Best Practices Policy and Competition Policy, among others) determines the corporate position on these matters.

The company has due diligence procedures for the ethical integrity of suppliers, customers, partners and candidates in order to prevent the commission of criminal acts, and carries out regular training activities to inform its staff, especially senior management, of all corporate policies and procedures.

Furthermore, Ferrovial has not received any convictions or sanctions for human rights violations, corruption or bribery, tax evasion or failure to comply with competition laws.

CALCULATION AND RESULTS PER KPI ANALYZED

With all of the above and with the purpose of complying with the reporting requirements of RD (EU) 2021/2178, the data published in the European Commission tables and presented below, follow the following criteria for the calculation of the corresponding percentages:

INCN percentage:

- Calculation of the eligible numerator: sum of the resulting product between the % associated with taxonomic activities identified in the Mitigation Annex I narratives with the consolidated INCN values of the analyzed companies.
- Calculation of the aligned numerator: sum of the resulting product between the % associated with the taxonomic activities identified in the descriptives of Annex I of Mitigation and that are being developed in compliance with the substantial contribution criteria, DNSH criteria and social safeguards adjusted to the consolidated INCN values of the analyzed companies.
- Calculation of the denominator: book value of Ferrovial's total INCN, with reference to the total operating income in Note 2.1 of the Consolidated Financial Statements.

Percentage of CapEX:

- Calculation of the eligible numerator: sum of the resulting product between the % associated to taxonomic activities with the CapEX values associated to the analyzed companies that have included investments in fixed assets that are related to assets or processes associated to economic activities that fit the taxonomy.
- Calculation of the aligned numerator: sum of the resulting product between the % associated to taxonomic activities with the CapEX values associated to the analyzed companies that have included investments in fixed assets that are being developed in compliance with the substantial contribution criteria, DNSH criteria and social safeguards.
- Calculation of the denominator: calculated as the total CapEX of Ferrovial companies within the scope of the analysis, which includes tangible and intangible asset additions during the year before depreciation, amortization and possible new valuations, including those resulting from revaluations and impairments, corresponding to the relevant year, excluding changes in fair value. Additions to tangible and intangible assets resulting from business

combinations were also included. Additions reflected in the financial statements in notes 3.2 Intangible assets, 3.3 Investments in infrastructure projects, specifically 3.3.1 Intangible assets, 3.4 Property, plant and equipment and 3.7 Rights of use for leased assets and associated liabilities. Likewise, for the CapEX calculation, only the costs accounted for in accordance with the International Financial Reporting Standards (IFRS) adopted by Regulation (EC) No. 1126/2008 have been considered:

- IAS 16 Property, plant and equipment, paragraph 73 (e) (i) and (iii);
- IAS 38 Intangible Assets, paragraph 118 (e) (i);
- IFRS 16 Leases, paragraph 53, letter h).

OpEX percentage:

Article 8(2)(b) of Regulation (EU) 2020/852 limits the calculation of OpEx to non-capitalized direct costs that relate to research and development, building renovation measures, short-term leases, maintenance and repairs, as well as other direct costs related to the day-to-day maintenance of property, plant and equipment assets, by the company or a third party to whom activities are outsourced, and that are necessary to ensure the continued effective operation of such assets. Additionally, non-financial companies that apply national GAAP and do not capitalize right-of-use assets will include leasing costs in OpEx.

When operating expenses are not material to the business model of non-financial companies, the standard allows the non-capitalized direct costs referred to above not to be reported, if the lack of materiality of the operating expenses in their business model is analyzed and explained.

Ferrovial has proceeded to the comparative calculation of its total operating costs and "taxonomic" expenses. Of the total total operating costs for 2022 (6,824.277 million euros), the OpEx denominator, as specified in the Regulation, represents 5.14% (351.023 million euros), so it has been considered immaterial for reporting purposes. For this reason, the data included in the OpEx table (page 159) are reported as equal to zero, in accordance with point 1.1.3.2. of Annex I of the Delegated Regulation (EU) 2021/2178. For the calculation of the OpEx denominator, all direct costs at Group level in relation to maintenance and repairs of property, plant and equipment, as well as short-term leasing costs, have been taken into account, Costs referenced with direct "other expenses" related to the daily maintenance of property, plant and equipment have not been included in the numerator and have therefore been excluded from the calculation of the denominator.

Q6 site workers, Heathrow Airport, London, United Kingdom.

Taxonomy

Revenues

				Substantial contribution criteria								DNSH criteria									
Economic activities (1)	**Code(s) (2)**	**Absolute turnover (3)**	**Proportion of turnover (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water and marine resources (7)**	**Circular economy (8)**	**Pollution (9)**	**Biodiversity and ecosystems (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water and marine resources (13)**	**Circular economy (14)**	**Pollution (15)**	**Biodiversity and ecosystems (16)**	**Minimun safeguards (17)**	**Taxonomy-aligned proportion of turnover, year N (18)**	**Taxonomy-aligned proportion of turnover, year N -1 (19)**	**Category (enabling activity) (20)**	**Category (transitional activity) (21)**
		M€	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**%**	**E**	**T**
A. ELIGIBLE ACTIVITIES ACCORDING TO TAXONOMY																				
A1. Environmentally sustainable activities (Aligned with the taxonomy)																				
4-ENERGY																				
4.1. Electricity generation from solar photovoltaic technology	4.1	0.8	0.01	100	0	N/A	N/A	N/A	N/A		S	N/A	S	N/A	S	S	0.01	N/A		
4.3.Electricity generation from wind energy	4.3	9.8	0.13	100	0	N/A	N/A	N/A	N/A		S	S	S	N/A	S	S	0.13	N/A		
4.9. Electricity transmission and distribution	4.9	29.6	0.39	100	0	N/A	N/A	N/A	N/A		S	N/A	S	S	S	S	0.39	N/A	F	
4.20.Co-generation of heat/cold and electricity from bioenergy	4.2	7.3	0.10	100	0	N/A	N/A	N/A	N/A		S	S	N/A	S	S	S	0.10	N/A		
5-WATER SUPPLY, SANITATION, WASTE MANAGEMENT AND DECONTAMINATION																				
5.1.Construction, expansion and operation of water collection, treatment and supply systems	5.1	127.4	1.69	100	0	N/A	N/A	N/A	N/A		S	S	N/A	N/A	S	S	1.69	N/A		
5.3.Construction, expansion and operation of wastewater collection and treatment systems	5.3	136.9	1.81	100	0	N/A	N/A	N/A	N/A		S	S	N/A	S	S	S	1.81	N/A		
5.5.Collection and transportation of non-hazardous waste in source-separated fractions	5.5	7.8	0.10	100	0	N/A	N/A	N/A	N/A		S	N/A	S	N/A	N/A	S	0.10	N/A		
5.8.Composting of biowaste	5.8	6.5	0.09	100	0	N/A	N/A	N/A	N/A		S	N/A	N/A	S	S	S	0.09	N/A		
5.9.Valorization of non-hazardous waste material of non-hazardous waste material	5.9	20.0	0.26	100	0	N/A	N/A	N/A	N/A		S	N/A	N/A	N/A	S	S	0.26	N/A		
5.10.Capture and utilization of landfill gas capture and utilization	5.10	0.6	0.01	100	0	N/A	N/A	N/A	N/A		S	N/A	N/A	S	S	S	0.01	N/A		
6-TRANSPORT																				
6.13.Infrastructure for personal mobility, bicycle logistics	6.13	7.3	0.10	100	0	N/A	N/A	N/A	N/A		S	S	S	S	S	S	0.10	N/A	F	
6.14.Infrastructure for rail transportation	6.14	1,218.5	16.14	100	0	N/A	N/A	N/A	N/A		S	S	S	S	S	S	16.14	N/A	F	
6.16.Infrastructure enabling low-carbon inland waterway transport	6.16	28.7	0.38	100	0	N/A	N/A	N/A	N/A		S	S	S	S	S	S	0.38	N/A	F	
6.17.Low-carbon airport infrastructure	6.17	131.7	1.74	100	0	N/A	N/A	N/A	N/A		S	S	S	S	S	S	1.74	N/A	F	
7-CONSTRUCTION OF BUILDINGS AND REAL ESTATE DEVELOPMENT																				
7.1.Construction of new buildings	7.1	86.9	1.15	100	0	N/A	N/A	N/A	N/A		S	S	S	S	S	S	1.15	N/A		
7.2. Renovation of existing buildings	7.2	9.6	0.13	100	0	N/A	N/A	N/A	N/A		S	S	S	S	N/A	S	0.13	N/A		T
7.3. Installation, maintenance and repair of energy efficient equipment	7.3	46.6	0.62	100	0	N/A	N/A	N/A	N/A		S	N/A	N/A	S	N/A	S	0.62	N/A	F	
7.5.Installation, maintenance and repair of instruments and devices to measure, regulate and control the energy efficiency of buildings	7.5	11.8	0.16	100	0	N/A	N/A	N/A	N/A		S	N/A	N/A	N/A	N/A	S	0.16	N/A	F	
7.6.Installation, maintenance and repair of renewable energy technologies	7.6	1.5	0.02	100	0	N/A	N/A	N/A	N/A		S	N/A	N/A	N/A	N/A	S	0.02	N/A	F	
Turnover from environmentally sustainable activities (Aligned with the taxonomy) (A.1)		1,889.2	25.02														25.02	N/A		

A2. Eligible activities but not environmentally sustainable (not aligned with taxonomy).			
4-ENERGY			
4.1.Electricity generation through solar photovoltaic technology	4.1	20.1	0.27
4.2.Electricity generation by concentrating solar power technology	4.2	3.2	0.04
4.3. Electricity generation from wind energy	4.3	0.1	0.00
4.5.Electricity generation from hydroelectric power	4.5	63.7	0.84
4.9.Transmission and distribution of electricity	4.9	0.3	0.00
4.15.District heating / district cooling distribution	4.15	0.5	0.01
4.20.Co-generation of heat/cold and electricity from bioenergy	4.2	2.5	0.03
5-WATER SUPPLY, SANITATION, WASTE MANAGEMENT AND DECONTAMINATION			
5.1. Construction, expansion and operation of water collection, treatment and supply systems	5.1	30.1	0.40
5.2.Renovation of water collection, treatment and supply systems	5.2	1.6	0.02
5.3.Construction, expansion and operation of wastewater collection and treatment systems	5.3	174.8	2.31
5.4.Renovation of wastewater collection and treatment	5.4	0.0	0.00
5.5.Collection and transport of non-hazardous waste in source-separated fractions	5.5	132.4	1.75
5.8.Bio-waste composting	5.8	4.0	0.05
5.9.Recovery of non-hazardous waste material from non-hazardous waste material from non-hazardous waste material	5.9	0.0	0.00
6-TRANSPORT			
6.13.Infrastructure for personal mobility, bicycle logistics	6.13	43.6	0.58
6.14.Infrastructure for rail transport	6.14	39.6	0.52
6.16.Infrastructure enabling low-carbon inland waterway transport	6.16	17.5	0.23
6.17.Low-carbon airport infrastructure	6.17	12.2	0.16
7-CONSTRUCTION OF BUILDINGS AND REAL ESTATE DEVELOPMENT			
7.1.Construction of new buildings	7.1	527.3	6.98
7.2.Renovation of existing buildings	7.2	39.4	0.5
7.3.Installation, maintenance and repair of energy efficient equipment	7.3	9.9	0.13
8- INFORMATION AND COMMUNICATION			
8.1. Data processing, hosting and related activities	8.1	24.4	0.32
Turnover from eligible but non-environmentally sustainable activities (not aligned with taxonomy) (A.2)		1,147.2	15.19
Total (A.1 + A.2)		3,036.4	40.21
B. NON-TAXONOMY ELIGIBLE ACTIVITIES			
Turnover from non-taxonomy-eligible activities (B)		4,514.3	59.79
Total (A + B)		7,550.8	100.0

25.0	N/A		

CapEx

				Substantial contribution criteria						DNSH criteria									
Economic activities (1)	**Code(s) (2)**	**Absolute CapEx (3)**	**Proportion of CapEx (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water and marine resources (7)**	**Circular economy (8)**	**Pollution (9)**	**Biodiversity and ecosystems (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water and marine resources (13)**	**Circular economy (14)**	**Pollution (15)**	**Biodiversity and ecosystems (16)**	**Minimum safeguards (17)**	**Taxonomy-aligned proportion of CapEx, year N (18)**	**Taxonomy-aligned proportion of CapEx, year N - 1 (19)**	**Category (enabling activity) (20)**	**Category (transitional activity) (21)**
		M€	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**%**	**E**	**T**
A. ELIGIBLE ACTIVITIES ACCORDING TO TAXONOMY																				
A1. Environmentally sustainable activities (Aligned with the taxonomy)																				
4-ENERGY																				
4.1. Electricity generation from solar photovoltaic technology	4.1	-58.0	3.35	100	0	N/A	N/A	N/A	N/A		S	N/A	S	N/A	S	S	3.35	N/A		
4.3.Electricity generation from wind energy	4.3	-12.1	0.70	100	0	N/A	N/A	N/A	N/A		S	S	S	N/A	S	S	0.70	N/A		
4.9.Electricity transmission and distribution	4.9	-40.6	2.35	100	0	N/A	N/A	N/A	N/A		S	N/A	S	S	S	S	2.35	N/A	F	
5-WATER SUPPLY, SANITATION, WASTE MANAGEMENT AND DECONTAMINATION																				
5.1.Construction, expansion, and operation of water collection, treatment, and supply systems	5.1	-0.2	0.01	100	0	N/A	N/A	N/A	N/A		S	S	N/A	N/A	S	S	0.01	N/A		
5.3.Construction, expansion and operation of sewage collection and treatment systems	5.3	0.0	0.00	100	0	N/A	N/A	N/A	N/A		S	S	N/A	S	S	S	0.00	N/A		
6-TRANSPORTATION																				
6.13.Infrastructure for personal mobility, bicycle logistics	6.13	0.0	0.00	100	0	N/A	N/A	N/A	N/A		S	S	S	S	S	S	0.00	N/A	F	
6.14.Infrastructure for rail transportation	6.14	-29.7	1.72	100	0	N/A	N/A	N/A	N/A		S	S	S	S	S	S	1.72	N/A	F	
6.16.Infrastructure enabling low-carbon inland waterway transportation	6.16	-0.1	0.00	100	0	N/A	N/A	N/A	N/A		S	S	S	S	S	S	0.00	N/A	F	
6.17.Low-carbon airport infrastructure	6.17	-0.3	0.01	100	0	N/A	N/A	N/A	N/A		S	S	S	S	S	S	0.01	N/A	F	
7-CONSTRUCTION OF BUILDINGS AND REAL ESTATE DEVELOPMENT																				
7.1.Construction of new buildings	7.1	-0.2	0.01	100	0	N/A	N/A	N/A	N/A		S	S	S	S	S	S	0.01	N/A		
7.2. Renovation of existing buildings	7.2	0.0	0.00	100	0	N/A	N/A	N/A	N/A		S	S	S	S	N/A	S	0.00	N/A		T
7.3. Installation, maintenance and repair of energy efficient equipment	7.3	-2.6	0.15	100	0	N/A	N/A	N/A	N/A		S	N/A	N/A	S	N/A	S	0.15	N/A	F	
7.5.Installation, maintenance and repair of instruments and devices to measure, regulate and control the energy efficiency of buildings	7.5	-2.4	0.14	100	0	N/A	N/A	N/A	N/A		S	N/A	N/A	N/A	N/A	S	0.14	N/A	F	
CAPEX of environmentally sustainable activities (Aligned with the taxonomy) (A.1)		-146.0	8.45														8.45	N/A		
A2. Eligible but not environmentally sustainable activities (not aligned with the taxonomy)																				
4-ENERGY																				
Electricity generation by photovoltaic solar technology	4.1	-0.3	0.02																	
4.2.Electricity generation by concentrating solar power technology	4.2	0.0	0.00																	
4.3.Electricity generation from wind energy	4.3	0.0	0.00																	
4.5.Electricity generation from hydroelectric power	4.5	-2.6	0.15																	
4.9.Transmission and distribution of electricity	4.9	0.0	0.00																	
5-WATER SUPPLY, SANITATION, WASTE MANAGEMENT AND DECONTAMINATION																				
5.1.Construction, expansion and operation of water collection, treatment and supply systems	5.1	-0.2	0.01																	
5.2.Renovation of water collection, treatment and supply systems	5.2	-0.1	0.00																	
5.3.Construction, expansion and operation of wastewater collection and treatment systems	5.3	-0.2	0.01																	
5.5.Collection and transportation of non-hazardous waste in source-separated fractions	5.5	0.0	0.00																	
5.8.Composting of biowaste	5.8	0.0	0.00																	
6-TRANSPORTATION																				
6.13.Infrastructure for personal mobility, bicycle logistics	6.13	0.0	0.00																	
6.14.Infrastructure for rail transport	6.14	-0.2	0.01																	

6.16.Infrastructure enabling low-carbon inland waterway transport	6.16	-0.5	0.03																			
6.17.Low-carbon airport infrastructure	6.17	0.0	0.00																			
7-CONSTRUCTION OF BUILDINGS AND REAL ESTATE DEVELOPMENT																						
7.1.Construction of new buildings	7.1	-0.7	0.04																			
7.2.Renovation of existing buildings	7.2	0.0	0.00																			
7.3.Installation, maintenance and repair of energy efficient equipment	7.3	-7.9	0.46																			
8- INFORMATION AND COMMUNICATION																						
8.1.Data processing, hosting and related activities.	8.1	-0.1	0.01																			
CAPEX of eligible but non-environmentally sustainable activities (not aligned with taxonomy) (A.2)		-12.9	0.75																			
Total (A.1 + A.2)		-159.0	9.19															8.45	N/A			
B. NON-TAXONOMY ELIGIBLE ACTIVITIES																						
CAPEX of eligible but non-environmentally sustainable activities (not aligned with taxonomy) (A.2)		-1,570.1	90.8																			
Total (A + B)		-1,729.0	100.0																			

Opex

				Substantial contribution criteria						DNSH criteria											
Economic activities (1)	**Code(s) (2)**	**Absolute OpEx (3)**	**Proportion of OpEx (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water and marine resources (7)**	**Circular economy (8)**	**Pollution (9)**	**Biodiversity and ecosystems (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water and marine resources (13)**	**Circular economy (14)**	**Pollution (15)**	**Biodiversity and ecosystems (16)**	**Minimum safeguards (17)**	**Taxonomy-aligned proportion of OpEx, year N (18)**	**Taxonomy-aligned proportion of OpEx, year N -1 (19)**	**Category (enabling activity) (20)**	**Category (transitional activity) (21)**
		M€	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**%**	**E**	**T**
A. ELIGIBLE ACTIVITIES ACCORDING TO TAXONOMY																				
A1. Environmentally sustainable activities (Aligned with the taxonomy)																				
OPEX of environmentally sustainable activities (Aligned with the taxonomy) (A.1)		0.0	0.00																	
A2. Eligible but not environmentally sustainable activities (not aligned with taxonomy) (A.2)																				
OPEX of eligible but non-environmentally sustainable activities (not aligned with taxonomy) (A.2)		0.0	0.0																	
Total (A.1 + A.2)		0.0	0.0														0.0			
B. NON-TAXONOMY ELIGIBLE ACTIVITIES																				
OPEX of non-eligible activities (B)																				
Total (A + B)		350.8	0.0																	