

# ACS

ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS



# 2023

# ANNUAL CORPORATE GOVERNANCE REPORT

# ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED PUBLIC LIMITED COMPANIES

## A. OWNERSHIP STRUCTURE

**A.1 Complete the following table on the share capital and voting rights attributed, including, where applicable, those corresponding to shares with loyalty votes, at year-end:**

Indicate whether the Company By-Laws contain a provision for double voting due to loyalty:

No X  
Yes

**Minimum uninterrupted period of ownership required by the Company By-Laws**

Indicate whether the company has attributed loyalty votes:

No X  
Yes

Date of the last change in share capital	Share capital	Number of shares	Number of voting rights (Not including additional votes attributed by loyalty)	Number of additional voting rights attributed corresponding to shares with loyalty votes	Total number of voting rights, including additional votes attributed by loyalty
23/03/2023	139,082,297.00	278,164,594	278,164,594		278,164,594.00

**Number of shares registered in the special shareholders register pending fulfilment of the loyalty period**

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**Comments**


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At its meeting of 23 March 2023, the Company's Board, making use of the powers delegated by the General Shareholders' Meeting held on 6 May 2022, resolved to reduce the share capital by redeeming treasury shares for a nominal amount of three million euros against profits or free reserves through the redemption of six million treasury shares of ACS, Actividades de Construcción y Servicios, S.A.

In addition, the following operations were performed after that capital reduction:

- On 21 June 2023, the capital increase and simultaneous capital reduction resulting from the second payment of the flexible dividend resolved by the General Shareholders' Meeting of 5 May 2023 was carried out. The public deed of capital increase and simultaneous capital reduction was notarised by Madrid notary public Mr Cruz-Gonzalo López-Muller Gómez on 19 July under number 1,492 of his notary record, and was registered at the Commercial Registry of Madrid on 20 July.
- On 8 January 2024, the capital increase and simultaneous capital reduction resulting from the second execution of the flexible dividend resolved by the General Shareholders' Meeting of 5 May 2023 was carried out. The public deed of capital increase and simultaneous capital reduction was notarised by Madrid notary public Mr Cruz-Gonzalo López-Muller Gómez on 6 February under number 304 of his notary record, and was registered at the Commercial Registry of Madrid on 8 February.

As a result of this capital increase and simultaneous capital reduction, both the amount of the share capital and the number of shares representing it remain unchanged.

Indicate whether there are different classes of shares with different rights:

Yes	No
	X

## A.2 Details of the direct and indirect holders of significant shareholdings at year's end, including directors with a significant shareholdings:

Name or company name of the shareholder	% voting rights attributed to shares (including loyalty votes)		% voting rights through financial instruments		% of total voting rights	Of the total number of voting rights attributed to the shares, indicate any additional votes attributed that correspond to the shares with loyalty votes	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
MR ALBERTO CORTINA ALCOCER	0.00	2.80	0.00	0.00	2.80		
MR FLORENTINO PÉREZ RODRÍGUEZ	0.00	14.16	0.00	0.00	14.16		
MR ALBERTO ALCOCER TORRA	0.00	2.39	0.00	0.00	2.39		
SOCIETE GENERALE, S.A.	6.58	0.00	0.00	0.00	6.58		
BLACKROCK	0.00	5.16	0.00	0.81	5.97		

### Details of the indirect shareholding:

Name or company name of the indirect shareholder	Name or company name of the direct shareholder	% voting rights attributed to shares (including loyalty votes)	% voting rights through financial instruments	% of total voting rights	Of the total number of voting rights attributed to the shares, indicate any additional votes attributed that correspond to the shares with loyalty votes
MR ALBERTO CORTINA ALCOCER	PERCACER, S.L.	1.48	0	1.48	
MR ALBERTO CORTINA ALCOCER	CORPORACIÓN FINANCIERA ALCOR, S.L.	0.17	0	0.17	
MR ALBERTO CORTINA ALCOCER	IMVERNELIN PATRIMONIO, S.L..	1.15	0	1.15	
MR ALBERTO ALCOCER TORRA	COMERCIO Y FINANZAS, S.L.	1.07	0	1.07	
MR ALBERTO ALCOCER TORRA	CORPORACIÓN FINANCIERA ALCOR, S.L.	0.17	0	0.17	
MR ALBERTO ALCOCER TORRA	IMVERNELIN PATRIMONIO, S.L.	1.15	0	1.15	
MR FLORENTINO PÉREZ RODRÍGUEZ	ROSAN INVERSIONES, S.L.	14.16	0	14.16	
BLACKROCK	BLACKROCK, INC	5.16	0.81	5.97	

Comments



Indicate the most significant changes in the shareholding structure occurring during the year:

Most significant movements

On 21 March 2023, Blackrock Inc., notified the CNMV (Notification of Significant Shareholdings form with entry no. 2023038483) that its percentage of voting rights exceeded the 5% threshold.

**A.3 Detail, regardless of the percentage, the stakes held at year-end by Board members who hold voting rights attributed to shares in the company or through financial instruments, excluding the directors identified in section A.2 above:**

Director name	% voting rights attributed to shares (including loyalty votes)		% voting rights through financial instruments		% of total voting rights	Of the total % voting rights attributed to the shares, indicate, where applicable, the % of additional votes attributed that correspond to the shares with loyalty votes	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
MR JOSÉ LUIS DEL VALLE PÉREZ	0.11	0.00	0.00	0.00	0.11	0.00	0.00
MR PEDRO JOSÉ LÓPEZ JIMÉNEZ	0.00	0.30	0.00	0.00	0.30	0.00	0.00
MR JAVIER ECHENIQUE LANDIRÍBAR	0.02	0.00	0.00	0.00	0.02	0.00	0.00

% of total voting rights held by Board members

14.59

Comments

- Ms María Soledad Pérez Rodríguez directly holds 7,020 shares, representing 0.0025% of the share capital of ACS, Actividades de Construcción y Servicios, S.A.
- Mr Juan Santamaría Cases is the direct holder of 736 shares, representing 0.00026% of the share capital of ACS, Actividades de Construcción y Servicios, S.A.
- Ms María del Carmen Fernández Rozado is the direct holder of 663 shares, representing 0.000238% of the share capital of ACS, Actividades de Construcción y Servicios, S.A.
- Mr Mariano Hernández indirectly holds 2,064 shares, representing 0.00074% of the share capital of ACS, Actividades de Construcción y Servicios, S.A.

Details of the indirect shareholding:

Director name	Name or company name of the direct shareholder	% voting rights attributed to shares (including loyalty votes)	% voting rights through financial instruments	% of total voting rights	Of the total % voting rights attributed to the shares, indicate, where applicable, the % of additional votes attributed that correspond to the shares with loyalty votes
MR PEDRO JOSÉ LÓPEZ JIMÉNEZ	FAPIN MOBI, S.L.	0.30	0.00	0.30	0.00

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Comments

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Details of the total percentage of voting rights represented on the board:

% of total voting rights represented on the board	19.78
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Comments

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*Although CORPORACION FINANCIERA ALCOR, S.L. holds only 0.34% of the share capital of ACS, at 31 December 2023, its controlling shareholders (Mr Alberto Alcocer and Mr Alberto Cortina) indirectly held 2.39% and 2.80% of ACS, respectively, through the companies detailed in Section A.2. of this Report.*

**A.6 Describe any relationships, unless they are scarcely relevant to the two parties, between the significant shareholders or representatives on the board and the directors, or their representatives, in the case of legal entity directors.**

Explain, where applicable, how the significant shareholders are represented. Specifically, indicate those directors who were nominated by significant shareholders, those who were nominated by significant shareholders, or who are related to significant shareholders and/op entities of their group, specifying the nature of those relationships. In particular, mention must be made of the existence, identity and position of any Board members, or representatives of directors, of the listed company who are, in turn, members of the management body, or their representatives, in companies that hold significant shareholdings in the listed company or in entities of the group of those significant shareholders.

Name or company name of the connected Board member or representative	Name or company name of the connected significant shareholder	Name of the company of the significant shareholder's group	Description of relationship/ position
MS MARÍA SOLEDAD PÉREZ RODRÍGUEZ	ROSAN INVERSIONES, S.L.		SISTER OF MR FLORENTINO PÉREZ RODRÍGUEZ, SOLE DIRECTOR OF ROSAN INVERSIONES, S.L.
MR MARIANO HERNÁNDEZ HERREROS	ROSAN INVERSIONES, S.L.		BROTHER-IN-LAW OF FLORENTINO PÉREZ RODRÍGUEZ, SOLE DIRECTOR OF ROSAN INVERSIONES, S.L.

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Comments

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**A.7 Indicate whether shareholders have signed any shareholders' agreements affecting the company pursuant to sections 530 and 531 of the Spanish Corporate Enterprises Act [Ley de Sociedades de Capital]. If so, provide a brief description and list the shareholders that are party to the agreement:**

Yes	No
	X

**Indicate whether the company is aware of any concerted actions between its shareholders. If so, provide a brief description:**

Yes	No
	X

**A.8 Indicate if there is any individual or legal entity that exercises or could exercise control over the Company under section 5 Spanish Securities Market Act [Ley del Mercado de Valores]. If so, identify them:**

Yes	No
	X

**A.9 Complete the following tables on the company's treasury shares:**

At year-end:

Number of direct shares	Number of indirect shares (*)	% of total share capital
17,557,900	500	6.31%

Comments

(\*) Through: Residencial Montecarmelo, S.A.

Explain the significant changes that occurred during the year:

Notification of acquisitions:

Notification date	Total direct shares redeemed	Percentage of total share capital
03/01/2023	3,002,682	1.057%
10/02/2023	268,089	0.094%
30/03/2023	1,713,185	0.616%
25/07/2023	1,954,354	0.703%
13/11/2023	2,820,153	1.014%

Notification of redemptions:

Notification date	Total direct shares redeemed	Percentage of total share capital
10/02/2023	2,331,835	0.821%
30/03/2023	6,000,000	2.157%
25/07/2023	7,366,418	2.648%

#### ***A.10 Give details of the conditions and time periods governing any resolutions of the General Meeting authorising the Board to issue, acquire or transfer treasury shares.***

The following resolution was adopted at the Ordinary General Shareholders' Meeting held on 5 May 2023: 'In rendering the authorisation granted through resolution by the shareholders at the Company's General Meeting held on 6 May 2022 null and void and in accordance with the provisions of sections 146 et seq. and 509 of the Revised Text of the Corporate Enterprises Act, the Board of Directors of the Company and those of its subsidiaries are authorised, during a period of one year from the date of this meeting, which will be automatically extended for periods of equal duration up to a maximum of five years, unless stipulated otherwise by the shareholders at the General Meeting, and in accordance with the conditions and requirements envisaged in the legal provisions in force at the time, to acquire, at any given time and as many times as deemed advisable and through any of the means admitted by law, with a charge to profit for the year and/or unrestricted reserves, shares of the Company, the nominal value of which when added to those already owned by the Company or by its subsidiaries does not exceed 10% of the share capital issued or, where applicable, the maximum amount authorised by the legislation applicable at any given time. The minimum price and the maximum price, respectively, will be the nominal value and the weighted average price relating to the last trading day prior to the transactions increased by 20%.

The Company's Board and the boards of its subsidiaries are also authorised, within the period and on the terms established above to acquire, insofar as possible, shares of the Company through loans, for valuable consideration or otherwise, on market terms, taking into account market conditions and the characteristics of the transaction.

Express authorisation is given for the treasury shares acquired by the Company or its subsidiaries to be earmarked, in full or in part: (i) for sale or redemption; (ii) for payment to workers, employees or directors of the Company or its Group, when they have a right recognised either directly through or as a result of exercising the options they hold, for the purposes envisaged in the last paragraph of section 146(1)(a) of the Revised Text of the Corporate Enterprises Act; and (iii) for dividend reinvestment plans or similar instruments.

To retire the treasury shares and delegating the Board to carry this out as indicated below, the Board resolves to reduce the capital, with a charge to profit or unrestricted reserves, in a maximum nominal amount equal to the total nominal value of the treasury shares that the Company directly or indirectly holds on the date this resolution is passed by the Board of Directors.

In accordance with Article 7 of the Company By-Laws, the Board is authorised (with express powers of substitution) to perform this resolution to reduce the share capital, which may be carried out once or several times within a maximum period of five years from the date of this resolution, performing such formalities, taking such steps and providing such authorisations as might be necessary or required by the Corporate Enterprises Act and other applicable provisions. In particular, the Board is authorised, by the deadline and with the above limits, to: (i) set the date or dates for the specific share capital reduction or reductions, taking into account market conditions, the share price, the Company's economic-financial position, its cash,



reserves, business performance and any other matter that is reasonable to consider; (ii) specify the amount of each share capital reduction within the established maximum amount; (iii) determine the purpose and procedure for the capital reduction, allocating either restricted reserves or unrestricted reserves, providing such guarantees as might be required and complying with the related legal requirements; (iv) amend Article 6 of the Company By-Laws to reflect the new share capital figure; (v) apply for the delisting of the redeemed shares; and, in general, pass any resolutions as might be necessary to ensure the full effectiveness of the redemption of these shares and the concomitant capital reduction, designating the persons authorised to execute these resolutions.

Performing this capital reduction will be subordinate to the capital reduction through retirement of treasury shares proposed to the shareholders at the Ordinary General Meeting under item 8 on the Agenda, such that under no circumstances may it prevent the implementation of that resolution in as stipulated in it'.

Likewise, the Ordinary General Shareholders' Meeting held on 8 May 2020 resolved to delegate to the Board, in accordance with section 297(1)(b) Corporate Enterprises Act, the authority to increase the share capital of the Company once or several times by a maximum of up to 50% of the capital, without the need for a call or subsequent resolution of the General Meeting, and to expressly grant the Board the power to exclude, in whole or in part, the pre-emptive subscription right up to a maximum nominal amount, in aggregate, equal to 20% of the share capital at the time of authorisation, pursuant to section 506 Corporate Enterprises Act, also including exclusions of the pre-emptive subscription right made within the framework of securities issues in accordance with the resolution below. This resolution remains in force.

The Annual General Meeting held on 10 May 2019 resolved to delegate to the Board the power to issue, on one or more occasions, within a maximum term of five years, securities that are convertible and/or exchangeable for shares of the Company, and warrants or other similar securities that may directly or indirectly provide the right to subscribe or acquire shares of the Company, for a total amount of up to EUR 3 billion; and the power to increase the capital stock by the necessary amount, along with the power to exclude, where appropriate, the pre-emption rights up to a limit of 20% of the share capital.

#### **A.11 Estimated percentage free-float capital:**

	%
Estimated free-float capital	61.36%

Comments

**A.12 Indicate, as applicable, any restrictions (under the Company By-Laws, by law or any other type) on the transfer of securities and/or any restrictions on voting rights. In particular, report any type of restrictions that may hinder the takeover of the company through the acquisition of its shares on the market. along with any prior authorisation or notification regimes applicable to the acquisition or transfer of the company's financial instruments under sectoral regulations.**

Yes	No
	X

**A.13 Indicate whether the shareholders at the General Meeting have resolved to take measures to neutralise a takeover bid pursuant to Spanish Law 6/2007.**

Yes	No
	X

**A.14 Indicate whether the company has issued shares that are not traded in a regulated market in the European Community.**

Yes	No
	X

## B. GENERAL MEETING

**B.1 Indicate and, if applicable, describe the differences between the minimum required under the Corporate Enterprises Act and the quorum required for holding the General Meeting.**

Yes	No
	X

**B.2 Indicate and, if applicable, describe any differences between the rules established in the Corporate Enterprises Act to pass resolutions and the company's rules:**

Yes	No
	X

**B.3 Indicate the rules on amending the company's by-laws. In particular, indicate the majorities needed to amend the by-laws, and, where appropriate, the rules on protecting shareholder rights when amending the by-laws.**

Article 32 of the Company By-Laws establishes that, for the General Meeting to be able to validly resolve to increase or reduce the capital and any other amendment to the Company By-Laws, to issue debentures, to disapply or limit the pre-emption right for new shares, and to transform, merge, spin-off or globally assign assets and liabilities, to transfer the registered office abroad or dissolve the Company by a mere resolution of the General Meeting without giving rise to any mandatory cause, shareholders must be present or represented who hold at least 50% of the subscribed capital with voting rights, or at second call, the 25% of that capital must be present or represented. These resolutions will be adopted by an absolute majority if the capital present or represented exceeds 50% at first call and with the favourable vote of two-thirds of the capital present or represented at the meeting when, at second call, shareholders representing 25% or more of the subscribed capital with voting rights attend without reaching 50%.

With regard to protecting shareholders, in addition to the Board preparing the mandatory reports required for this purpose under section 286 of the Corporate Enterprises Act, Article 9.4 of the Shareholders' General Meeting By-laws establishes that General Meeting calls must include, among other things, the place and manner in which the full text of the documents and proposed resolutions may be obtained, and the address of the website where the information will be available. In addition, Article 12 of the Shareholders' General Meeting By-laws provides for the possibility for shareholders to request in writing any information or clarifications they deem necessary and to submit in writing any questions they deem pertinent on the amendment proposed to the General Meeting. Finally, in accordance with article 29.3 of the Shareholders' General Meeting By-laws, the amendment of each article or group of articles of the Company By-Laws that has its own autonomy will be voted on separately

**B.4 Indicate the data on attendance at the General Meetings held in the year to which this report refers and in the two previous years:**

Date of the General Meeting	Attendance information				Total
	% present in person	% proxies	% remote voting		
			Electronic vote	Other	
07/05/2021	1.45%	60.37%	0.02%	0,00%	61.84%
Of which are free-float capital:	0.08%	40.74%	0.02%	0,00%	40.84%
06/05/2022	0.43%	55.38%	0.04%	0,00%	55.85%
Of which are free-float capital:	0.34%	33.97%	0.04%	0,00%	34.35%
05/05/2023	3.14%	52.99%	0.07%	0,00%	56.20%
Of which are free-float capital:	1.85%	31.75%	0.07%	0,00%	33.67%

Comments

The votes cast by shareholders attending remotely are included in the 'electronic vote' column.

**B.5 Indicate whether there were any items on the agenda at the general meetings held in the year that, for any reason, were not passed by the shareholders.**

Yes	No
	X

**B.6 Indicate whether the by-laws contain any restrictions with respect to the minimum number of shares required to attend general meetings or vote remotely:**

Yes	No
X	

Number of shares required to attend general meetings	100
Number of shares required to vote remotely	100

Comments

Article 26 of the Company By-Laws establishes the following: 'The General Meeting comprises all the shareholders that hold at least one hundred shares, either in person or by proxy. Owners or holders of fewer than 100 shares may group themselves together to reach this number and may be represented either by one of the group or by another shareholder that possesses enough shares to form part of the general meeting'. Article 27 of the Shareholders' General Meeting By-laws provides that shareholders holding at least 100 voting shares may vote on proposals on items on the agenda for any type of General Meeting prior to the General Meeting by post or email, and by any other means of remote communication, provided that there are adequate guarantees of authenticity and identification of the voting shareholder and, where

appropriate, the security of electronic communications is duly ensured in accordance with the provisions of the Board in this respect.

***B.7 Indicate whether it has been established that certain decisions, other than those established by law, that involve the acquisition, disposal, or contribution to another company of essential assets or other similar corporate transactions, must be submitted for approval by the shareholders at the general meeting.***

Yes	No
	X

***B.8 Indicate the address and mode of accessing, on the company's website, information on corporate governance and other information on the general meetings that need to be made available to the shareholders through the Company's website.***

The address is <http://www.grupoacs.com/gobierno-corporativo/>

Once on the ACS Group's website, several tabs appear at the top, with the one of interest here being 'CORPORATE GOVERNANCE'. Clicking on this link brings up the Company By-Laws, the Shareholders' General Meeting By-laws and the Rules of the Board of Directors.

The drop-down menu within CORPORATE GOVERNANCE shows two sections:

- Board. Clicking on this link displays the Rules of the Board of Directors and the composition of the Board, with information on each Board member.
- Annual Corporate Governance Report. After clicking on this link, following a brief introduction, there is a specific instruction to click on it and download the annual reports since 2006 in PDF format.

On the other hand, in the drop-down index of the COMPLIANCE tab, the 'Compliance Policies and Procedures' section appears, which contains the Code of Conduct, the Code of Conduct for Business Partners, the General Compliance Policy, the Criminal and Anti-Bribery Compliance Policy, the Human Rights Policy, the Diversity Policy, the Competition Compliance Policy and Protocol, the Information Security Policy, the Treasury Stock Policy, the Corporate Human Rights Due Diligence Protocol, the Occupational Health and Safety Policy, the Policy on Compliance with International Sanctions Imposed on Third Parties, an Explanatory Video of the Code of Conduct, an Explanatory Video of the Code of Conduct for Business Partners, the Policy on the Operation of the Whistleblower Channel, the General Risk Control and Management Policy, the Corporate Tax Policy, the Sustainability Policy, the Policy on Reporting Economic-Financial, Non-Financial and Corporate Information, and of Contacts and Engagement with Shareholders and Other Stakeholders, the Remuneration Policy, the Environmental Policy and Code of Conduct in the Securities Markets, the Policy on Community Investment, Sponsorship, Patronage and Philanthropic Donations, and the Policy on Engagement with and Monitoring of Sectoral Associations. Likewise, the 'Corporate Policies' section--which contains the Corporate Governance Policy--also appears in the drop-down menu of the COMPLIANCE tab.

Finally, the 'General Meeting' section, under the 'SHAREHOLDERS AND INVESTORS' tab, provides the information on the General Meetings since 2013.

## C MANAGEMENT STRUCTURE OF THE COMPANY

### C.1 Board of Directors

C.1.1 Maximum and minimum number of directors provided for in the Company By-Laws and the number established by the general meeting:

Maximum number of Board members	21
Minimum number of Board members	11
Number of Board members set by the meeting	15

C.1.2 Complete the following table with the Board members' details:

Name or Company name of the board member	Representative	Category of the board member	Position on the Board	Date of first appointment	Date of last appointment	Procedure for appointment
MR FLORENTINO PÉREZ RODRÍGUEZ		Executive	Chairman and CEO	28/6/1989	5/5/2023	Shareholder Resolution
MR PEDRO JOSÉ LÓPEZ JIMÉNEZ		Other External	Vice Chairman	28/6/1989	5/5/2023	Shareholder Resolution
MR JUAN SANTAMARÍA CASES		Executive	Chief Executive Officer	6/5/2022	6/5/2022	Shareholder Resolution
MR ANTONIO BOTELLA GARCÍA		Independent	Director	28/4/2015	5/5/2023	Shareholder Resolution
MR JOSÉ LUIS DEL VALLE PÉREZ		Executive	Secretary General and member of the Board of Directors	28/6/1989	5/5/2023	Shareholder Resolution
MR JAVIER ECHENIQUE LANDIRÍBAR		Proprietary	Director	20/5/2004	8/5/2020	Shareholder Resolution
MS CARMEN FERNÁNDEZ ROZADO		Independent	Director	28/2/2017	7/5/2021	Shareholder Resolution
MS MARÍA JOSÉ GARCÍA BEATO		Independent	Director	6/5/2022	6/5/2022	Shareholder Resolution
MR EMILIO GARCÍA GALLEGO		Independent	Director	13/11/2014	5/5/2023	Shareholder Resolution
MR MARIANO HERNÁNDEZ HERREROS		Proprietary	Director	5/5/2016	8/5/2020	Shareholder Resolution
CATALINA MIÑARRO BRUGAROLAS		Independent	Director	28/4/2015	5/5/2023	Shareholder Resolution
MS MARÍA SOLEDAD PÉREZ RODRÍGUEZ		Proprietary	Director	13/11/2014	5/5/2023	Shareholder Resolution
MR JOSÉ ELADIO SECO DOMÍNGUEZ		Independent	Coordinating Director	22/12/2016	7/5/2021	Shareholder Resolution
MS LOURDES MÁIZ CARRO		Independent	Director	5/5/2023	5/5/2023	Shareholder Resolution
MS LOURDES FRAGUAS GADEA		Independent	Director	5/5/2023	5/5/2023	Shareholder Resolution
Total number of Board members						15

Indicate any departures from the Board during the reporting period, whether due to resignation or by resolution of the general meeting:



Name or company name of the Board member	Class of board member at the time of departure	Date of last appointment	Date of departure	Specialised committees on which the member sat	Indicate if the departure took place before the end of the
MR ANTONIO GARCÍA FERRER	Executive	10/05/2019	05/05/2023	Executive Committee	Yes
MR MIGUEL ROCA JUNYENT	Other External	10/05/2019	05/05/2023	Remuneration Committee	Yes

Grounds for dismissal, when it occurred before the end of the term of office and other observations: information on whether the director sent a letter to the other members of the board, and in the case of departures of non-executive directors, explanation or opinion of the director who was dismissed by the general meeting.

At the meeting of the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A., held on 23 March 2023, to help restructure the Company's Board so it complies with the best good governance standards, Mr Antonio García Ferrer and Mr Miguel Roca Junyent, expressed their desire not to stand for re-election to the Board at the Company's General Shareholders' Meeting, which the Board resolved to call to be held on 4 and 5 May 2023, at first and second call, respectively, and, consequently, they tendered their resignation from the Company's Board with effect from the day on which that General Shareholders' Meeting was held. The Company reported this circumstance to the CNMV by means of Other Relevant Information on 24 March 2023 (registry number: 21544).

### C.1.3 Complete the following tables on the Board members and their positions:

#### **EXECUTIVE DIRECTORS**

Name or company name of board member	Position in the organisational chart of the Company	Profile
MR FLORENTINO PÉREZ RODRÍGUEZ	Executive Chair	Born in Madrid in 1947. Degree in Civil Engineering from the Polytechnic University of Madrid. He began his professional career in 1971 in the private sector, becoming director of the Spanish Road Association, before moving to the public sector. From 1976 to 1982, he held several positions in the Public Administration, such as the Delegate for Water Treatment and the Environment on the Madrid City Council, Managing Sub-Director of the Ministry of Industry and Energy, General Manager of Transport Infrastructures of the Ministry of Transport, and Chair of the National Institute for Agricultural Renovation and Development (IRYDA) of the Ministry of Agriculture. In 1983, he returned to the private sector as the chief executive of Construcciones Padros, S.A., also being one of its main shareholders. Since 1993, he has been Chairman of ACS, Actividades de Construcción y Servicios, S.A. He is also Chairman of Real Madrid and sole director of the companies Rosan Inversiones, S.L., Inverpe, S.L. and Hispavesan, S.L.

MR JUAN SANTAMARÍA CASES	Chief Executive Officer	Born in Madrid in 1978. Degree in Civil Engineering from the Polytechnic University of Madrid. Juan Santamaría has spent his entire working career with the ACS Group. From 2002 to 2006, he held different positions at Iridium and Dragados as Engineer and Project Director; from 2006 to 2013 he was CEO of ACS Infraestructuras in the USA and Canada; between 2013 and 2015 he was President and CEO of Iridium, in 2016 he held the position of Executive Manager for CPB in Western Australia and the Northern Territory, in 2017 he was CEO of the Industrial and Services Company UGL; and in 2018 and 2019 he was CEO of the Construction Company CPB in Australia, with operations in Australia, New Zealand and Asia. He is currently CEO of Hochtief AG, Chairman of Abertis S.A., Executive Chairman of the Cimic Group and Director of the Turner Corporation, Thiess Group Finance PTY LTD, Thiess Group Holdings PTY LTD and Thiess Group Finance USA PTY LTD.
MR JOSÉ LUIS DEL VALLE PÉREZ	Director and General Secretary	Born in Madrid in 1950. He holds a licentiate in Law from the Complutense University and was made State Counsel in 1974, and has been a member of the Madrid Bar Association since 1976. As a State Counsel, he worked at the Treasury and Courts Office in Burgos and Toledo and in the Ministries of Health and Social Security and of Labour and Social Security. He was Director of the National Legal Department of the UCD. He was a member of the Congress of Deputies in the 1979/1982 legislature and Undersecretary of the Ministry of Territorial Administration. He has served as Director and Secretary of the Board in numerous companies such as Continental Hispánica, S.A. (a subsidiary of the US company Continental Grain), Continental Industrias del Caucho, S.A., FSC Servicios de Franquicia, S.A. and Continental Tyres, S.L. (Spanish subsidiaries of the German group Continental AG), Ercros, Banesto, etc. At present, he is Director-Secretary General of the ACS Group, and Director-Secretary of its main subsidiaries (Dragados, S.A. and ACS Servicios y Concesiones, S.L.), and he sits on the Supervisory Board of Hochtief A.G., and the Board of CIMIC Group Limited. He is a practising attorney.

Total number of executive directors	3
% of total Board	20.00 %

### PROPRIETARY AND EXTERNAL BOARD MEMBERS

Name or company name of the board member	Name or company name of the shareholder represented or that proposed appointment	Profile
MS MARÍA SOLEDAD PÉREZ RODRÍGUEZ	ROSAN INVERSIONES, S.L.	Born in Madrid in 1943. She holds a Degree in Chemistry and a Degree in Pharmacy from the Complutense University of Madrid. She has worked as a teacher at schools in Madrid and as a technical advisor for Geblasa, SA (a chemical products import and export company), and as an associate pharmacist in the Pharmacy Office of Madrid (Oficina de Farmacia de Madrid). She was director of several Group subsidiaries (ACS Servicios Comunicaciones y Energía, S.L., and Dragados, S.A.) and furthermore currently serves on the boards of ACS and its subsidiary ACS Servicios y Concesiones, S.L.

MR JAVIER ECHENIQUE LANDIRÍBAR	CORPORACIÓN FINANCIERA ALCOR, S.A.	Born in Isaba, Navarre in 1951. Graduate in Economic and Actuarial Sciences. He has been Director - General Manager of Allianz-Ercos and General Manager of the BBVA Group, Deputy Chair of Banco Sabadell and Director of Grupo Empresarial ENCE, S.A. He is currently a Director of ACS and Dragados, S.A. and Deputy Chair and Coordinating Director of Telefónica, S. A. He also sits on the boards of Telefónica Audiovisual Digital, S.L.U., and Grupo Calcinor, S.L. He is a member of the Advisory Board of Telefónica Spain, and of the McKinsey Advisory Council and is Chair of the Advisory Board of Banco Sabadell Guipuzcoano. He also sits on the Boards of Trustees of the Fundación Novia Salcedo and Fundación Altuna Trusts.
MR MARIANO HERNÁNDEZ HERREROS	ROSAN INVERSIONES, S.L.	Born in Torrelavega, Cantabria in 1943. Mariano Hernández Herreros holds a licentiate in Medicine and Surgery from Complutense University, where he specialised in Psychiatry. He has spent his entire career as a psychiatrist at the López-Ibor clinic and is the author of numerous works in scientific publications and papers at international conferences. He has sat on the boards of Grupo Dragados, Iberpistas, S.A. and Autopistas Aumar, S.A. In addition to sitting on ACS's Board, he also serves on the boards of Dragados, S.A., and ACS, Servicios y Concesiones, S.L.

Total number of proprietary board members	3
% of total Board	20.00 %

### **INDEPENDENT NON EXECUTIVE DIRECTOR**

Name of Board member	Profile
MR ANTONIO BOTELLA GARCÍA	Born in Orihuela on 28 July 1947. He holds a degree in Law from the University of Murcia, and he became a State Counsel in 1974. He served as State Counsel at the Supreme Court, in the Revenue Service Delegation and at the Courts of Oviedo, in the Revenue Service Delegation and at the Courts of Albacete, in the Office of the President of the National Government attached to the Department of Parliamentary Relations, in the Legal Office of the Ministry of Transport, Tourism and Communications, and at the National High Court. He has also served as Technical General Secretary to the Ministry of Transport, Tourism and Communications, and to the Ministry of Agriculture, Fisheries and Food, while also having served as the Junior Secretary of the Ministry of Agriculture and Conservation. He has also been a Lecturer in Law at the Business Institute of the University of Oviedo and at the Correspondence University of Albacete. Lastly, he has served on the Boards of Caja Postal de Ahorros (subsequently Argentaria and now part of BBVA), Aviaco (subsequently merged with IBERIA LAE) and Aldesasa, and serving as Secretary to the Board in numerous companies. He is a practising lawyer.

MS CARMEN FERNÁNDEZ ROZADO	<p>She holds Licentiate in Business and Economic Sciences and in Political and Sociology Sciences from the Complutense University of Madrid, and a PhD in Government Taxation from the same university. She has completed the Senior Management Program (PADE) at the IESE Business School (University of Navarre). Government Tax Inspector and Auditor.</p> <p>She began her career in 1984 at the Ministry of Treasury, where she also held several positions at the State Tax Administration Agency. In 1999, she was appointed as a member of the Board of the National Energy Commission (Comisión Nacional de la Energía), a position she held until 2011. Since then, she has been an international consultant for the development and execution of business plans in Energy and Infrastructure in a variety of countries of Latin America and Asia. During 2012 and 2013 she was a member of the Advisory Board of EY. She is a member of the Advisory Board of Beragua Capital Advisory. Between 2021 and 2022 she was a director of Primafrío and, since April 2015, she has been a director and member of the Audit Committee and the Corporate Governance and Sustainability Committee of EDP (Energias de Portugal) in Lisbon.</p> <p>She is a professor at various Spanish and foreign universities and business schools, and the author of numerous Articles and publications on Taxation, Energy and Sustainability.</p>
MS MARÍA JOSÉ GARCÍA BEATO	<p>She was born in Córdoba in 1965. She holds a degree in Law and a diploma in Criminology. State Counsel since 1991. She has worked as a State Counsel, among other posts, at the High Court of Justice of Madrid, the Spanish Data Protection Agency (AEPD), the General Secretariat for Communications and at the National High Court. She has been Director of the Cabinet of the Minister of Justice and Undersecretary of Justice.</p> <p>In 2005, she joined Banco Sabadell as Director of the Legal Department, where she served as General Secretary, Deputy Secretary of the Board and General Secretary Director. She has been Director of Red Eléctrica Corporación and Director and Secretary of several companies. She currently serves on the boards of Banco Sabadell, S.A., Iberpapel Gestión, S.A. and MdF Family Partners, S.A. She is a practising lawyer.</p>
MR EMILIO GARCÍA GALLEGÓ	<p>Born in Cabreiroá, Orense in 1947. Qualified as a civil engineer (Madrid 1971), he holds a Law Degree (Barcelona 1982) and has taken doctorate studies at the Polytechnic University of Catalonia. He has also completed the following official courses: Groundwater Hydrology at the School of Industrial Engineers of Barcelona; Management Improvement (1984-85) at the School of Public Administration of Catalonia; Coastal Engineering at the School of Civil Engineering of Catalonia (ETSICCP); and Port Engineering and Oceanographic Engineering at the School of Civil Engineering of Catalonia.</p> <p>His teaching activity has included the position of professor in charge of the 'Soil Mechanics and Special Foundations' course at the Barcelona School of Architecture (1974-82) and professor in charge of the doctorate course entitled 'Consolidation of soft and weak ground' at the Barcelona School of Architecture (1979-80).</p> <p>He has also been an Engineer for the River Policing Authority of the eastern Pyrenees, Engineer for Fomento de Obras y Construcciones, representative for the Catalonia area of the company "Grandes Redes Eléctricas, S.A.", Head of the Ports Service of the Regional Government of Catalonia and co-director of the Ports Plan of Catalonia, general manager for Infrastructure and Transportation of the Regional Government of Galicia, general manager for Transportation of the Regional Government of Catalonia, deputy manager of the Water Treatment Council and deputy manager of the Water Board of the Regional Government, general manager of Public Works of the Regional Government of Galicia and chairman of the Water Board of Galicia, chairman of the Entity Managing Railway Infrastructures, adhered to the Ministry of Development and responsible for executing the entire High Speed railway infrastructure, and Chairman of Puertos de Galicia. He currently works as a freelance civil engineer.</p>

MS CATALINA MIÑARRO BRUGAROLAS	<p>Born in Madrid in 1963. She holds a degree in Law awarded in 1986 by the Complutense University of Madrid, and she passed the examination to become a State Counsel in 1989.</p> <p>Currently on extended leave of absence, she served as State Counsel at the National High Court and at the Court of Auditors, in the Directorate General of the Treasury and Finance Policy, as Secretary to the Madrid Regional Financial and Administrative Tribunal, as State Counsel in the Ministry of Health and Consumer Affairs, and as State Counsel at the Madrid High Court of Justice.</p> <p>She has also served as Technical General Secretary to the Office of the Presidency of the Autonomous Community of Madrid, Chief Legal Officer of the State holding company Sociedad Estatal de Participaciones Estatales, Secretary to the Board of Sociedad Estatal de Transición al Euro, Secretary of the Board of Saeta Yield and a Director of Autoestradas de Galicia, S.A. Currently, she is an independent Board member of Mapfre, S.A., in addition to serving on the boards of two of its subsidiaries, Mapfre Spain and Mapfre International.</p>
MR JOSÉ ELADIO SECO DOMÍNGUEZ	<p>Born in Veguellina de Órbigo, León in 1947. He graduated as a Civil Engineer from the Escuela Superior de ICCP de Madrid [Madrid School of Engineering], specializing in Transportation, Ports and Town Planning.</p> <p>He began his professional career in 1972 at the public engineering company INECO, where he held various positions until he became International Director, and he joined RENFE in 1988, where he held various positions. In 2000 he was appointed Executive Chairman of INECO until 2002, when he was appointed Chairman and CEO of AENA, a position he held until 2004, when he was appointed Advisor to the Chair of RENFE.</p> <p>He has also acted as an advisor to Oca, S.A., Printec, Collosa, Incosa, National Express-Alsa, Menzies Aviation and Stadler Rail, and has been Chair of the Spanish consortium for the concession and operation of the Río de Janeiro-São Paulo-Campinas (Brazil) high-speed railroad. He is currently a Senior Advisor at Kearney.</p>
MS LOURDES FRAGUAS GADEA	<p>Born in Madrid in 1965. She earned a degree in Law and Business Legal Consultancy from Pontifical University of Comillas (ICADE) in 1988. State Counsel since 1992. She has served as State Counsel at the Spanish Ministries of Health and of Finance, at the Spanish Medicines Agency, and at the Court of Justice of the European Union. She also worked in London at the European Medicines Agency (EMA). From 2004 to 2019, she worked as General Secretary and Director of the Legal Department of Farmaindustria; after that, she led the Pharma and Health area of Herbert Smith Freehills and was Global General Counsel of the Italfarmaco Group. She currently sits on the boards of Grupo OESIA, Cofares Diversificación, S.L., and Mirto Corporación Empresarial.</p>
MS LOURDES MÁIZ CARRO	<p>Born in Santiago de Compostela in 1959. She holds degrees in Law and in Philosophy. She is a member of the Philosophy Faculty at the Complutense University of Madrid as a member of the Research Programme, she has taught metaphysics and theory of knowledge since 1982, receiving her PhD in 1988. A State Counsel, she has held various positions in the General State Administration, including Director General of Administrative Organisation, Jobs and IT, Technical Secretary General in the Ministry of Agriculture and Director General and Secretary of the Board of Directors of the State-Held Assets Corporation [Sociedad Estatal de Participaciones Patrimoniales]. She has served on the boards of the Official Credit Institute (ICO), Banco Hipotecario, RENFE, Gerencia de Infraestructuras Ferroviarias (now part of ADIF), Aldeasa Almacenaje y Distribución and INISAS, Compañía de Seguros y Reaseguros (now part of ADESLAS). Legal Director and Secretary of the Board of IBERIA, Líneas Aéreas de España, from 2001 to 2016.</p> <p>She has been an independent director of BBVA since 2014 and currently sits on the Audit and Remuneration Committees.</p>
Total number of independent Board members	8
Total % of the Board	53.33 %

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Comments

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Indicate whether any Board members qualifying as independent receive any sums or benefits, other than remuneration as a Board member, from the company or its group, or maintain or maintained, during the last financial year, a business relationship with the company or any company in its group, whether in their own name or as a significant shareholder, Board member or senior executive of an organisation that maintains or maintained such a relationship.

Where appropriate, include a reasoned statement from the Board on the reasons why it considers that these Board members can perform their duties as Independent Board members.

Name or company name of board member	Description of the relationship	Reasoned statement
N/A		

### **OTHER EXTERNAL BOARD MEMBERS**

Identify the other external board members and indicate the reasons why they cannot be considered proprietary or independent and their relations, either to the company, its management or its shareholders:



Name or Company name of the board member	Reasons	Company, executive or shareholder to which member is related	Profile
MR PEDRO JOSÉ LÓPEZ JIMÉNEZ	Mr Pedro López Jiménez went from being an independent board member to an external board member upon completion of the maximum term of office of 12 years.	ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A	<p>Born in Málaga in 1942. Civil Engineer (graduated in 1965). Partial studies in Journalism and Social Sciences at the Instituto Social León XIII (1960-62) (ACNPD Scholarship). Programme in Senior Business Administration (PADE) at the IESE Business School (1995/96). Awarded the Grand Cross of the Order of Isabel la Católica. Director of Construcción Centrales Térmicas Hidroeléctrica Española (1965/70); Board member and General Manager of Empresarios Agrupados; Board member of GHESA; Deputy-Secretary of MOPU, Director General of the Port Authority; Board member of UE and Enher; Board member of INI (1978/79); Chair of Endesa (1979/82); Board member of Atlas Copco, Semi, Tecmed, Continental Auto, Vias y Construcciones, Enamsa, Tractebel España, Hilatura de Portolin; Chair of Union Fenosa; Vice-President of Indra; Board member of CEPSA; Board member of Lingotes Especiales; Chair and Board member of GTCEISU Construcción S.A. (TERRATEST Group); Board member of ENCE; Board member of Keller Group, plc.; and Member of the Board of the University of Alcalá de Henares.</p> <p>In addition to serving on ACS's Nominations Committee until 5 May 2023, he is currently Deputy-Chairman of the Board of Directors and a member of the ACS Executive Committee.</p> <p>As for the positions he holds in other ACS Group companies, he is Chairman of Dragados, S.A. and of ACS Servicios y Concesiones, S.L. He is also Director, Chairman of the Supervisory Board, of the Human Resources Committee and of the Nominations Committee of HOCHTIEF; Member of the Board of Directors, of the Remuneration and Nominations Committee and of the Ethics, Compliance and Sustainability Committee of CIMIC Group Limited, Director and member of the Audit and Control Committee and of the Appointments and Remuneration Committee of Abertis Infraestructuras, S.A., and Director of Abertis Holdco, S.A.</p> <p>He is also Chairman and Managing Director of Flagoser, S.L., and is also the individual representative of the Sole Director Flagoser, S.L., in the following companies: Fidalser, S.L., Fapin Mobi, S.L., Centro Empresarial Calle Miguel Yuste, S.L., Fidalrent, S.L., Fidalrent Sky Park, S.L., Fidalrent Residencial, S.L. and Arapiles XY, S.L. He is also the individual representative of the Sole Director Centro Empresarial Calle Miguel Yuste, S.L., in the company MAF Inversiones, S.A., and is the sole director of LOCYXX DOS, S.L.</p> <p>In addition, he has been Deputy-Chair of the Board of Trustees of the Royal National Library of Spain (until November 2023), is a Member of the Board of Trustees and of the Executive Council of the Picasso Museum in Málaga; and is Deputy-Chair of Real Madrid Football Club.</p>

Total number of external Board members	1
Total % of the Board	6.67 %

Indicate any changes in the category of each Board member during the period:

Name or company name of the Board member	Date of Change	Previous category	Current category

C.1.4 Complete the following table with information relating to the number of women Board members at the close of the last four financial years, and the category of those Board members:

	Number of women Board members				% of total Board members of each category			
	2023	2022	2021	2020	2023	2022	2021	2020
Executive	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Proprietary	1	1	1	1	33.33%	33.33%	33.33%	33.33%
Independent	5	3	2	2	62.50%	50.00%	40.00%	40.00%
Other External	0	0	0	0	0.00%	0.00%	0.00%	0.00%
<b>Total:</b>	<b>6</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>40%</b>	<b>26.67%</b>	<b>20%</b>	<b>18.75%</b>

C.1.5 Indicate whether the company has diversity policies in relation to the Company's Board as regards matters such as age, gender, disability, or professional training and experience. Small and medium-sized entities must, in accordance with the Spanish Audit Act [Ley de Auditoría de Cuentas], report at least the policy they have established in relation to gender diversity.

Yes	No	Partial Policies
X		

If so, describe these diversity policies, their objectives, the measures and the manner in which they have been implemented and their results for the year. Also indicate the specific measures taken by the board of directors and the nomination and remuneration committee to achieve a balanced and diverse presence of directors. If the company does not apply a diversity policy, explain the reasons for not doing so.

Description of the policies, objectives, measures and the manner in which they have been implemented, and the results obtained

The ACS Group promotes the implementation and development of diversity and inclusion of all types of groups and sensitivities in the Group's various areas and levels, establishing the guidelines that should govern the Group's actions in matters of diversity. These guidelines are currently in place and have already been included in previous reports.

In this regard, the Diversity Policy of ACS and its Group, which remained in force in 2023, defines its objectives and commitments in the area of diversity, specifically including promoting the integration of people with diverse profiles in all business areas and levels of the Group; identification of talent in the hiring, promotion and incorporation processes within the Group; selection of professionals with alternative skills; generational diversity in the teams, encouraging collaboration between older and younger professionals; integration and inclusion of vulnerable groups; promotion of implementation of systems to measure progress in diversity; communication and extension of the commitment to diversity to all employees, suppliers, customers, administrations, social agents and other stakeholders; and the maintenance of neutral and inclusive language in internal and external communications. All of this is in line with ACS's Code of Conduct and Sustainability Policy.

In consonance with the Diversity Policy of ACS and its Group, the Rules of the Board of Directors provide that the procedures for selecting its members must favour diversity with respect to issues such as age, gender, disability, and professional training and experience, without there being implicit biases that could imply any discrimination and, in particular, they must facilitate the selection of female directors to achieve a balanced presence of women and men, informing shareholders and markets through the appropriate channels.

In turn, under its Diversity Policy, the Board of ACS, in its capacity as the Group's parent company, continues to promote the dissemination and application of these principles and guidelines in the governing and management bodies of the Group's companies, ensuring the dissemination of the objectives, and measures adopted and the results.

As in previous years, ACS's Board has also maintained, with the support and collaboration of the Nominations Committee, a policy for nominating and re-electing board members based on coordinating the principles of representativeness with those of diversity and independence, taking into account Spanish and international good governance recommendations, and in this respect, particularly in nominations, ratifications and re-elections, ensuring the appropriate stability in the composition of the Board and its Committees so as to maintain the necessary suitability of the Board as a whole, preserving the experience and knowledge of those who have been serving as directors.

In this regard and, in particular in relation to the application of diversity policies and measures in relation to ACS's Board, it should be noted that in 2023 two directors resigned, to help restructure the Company's Board so it complies with the best good governance standards and, in their place, two female directors were appointed at the Annual General Meeting held on 5 May 2023, thus balancing the genders on the Board. Based on the above, at 31 December 2023, **40% of ACS's board members were women.**

C.1.6 Explain any measures, where appropriate, the Nominations Committee has decided to ensure that the selection processes do not suffer from implicit biases that might hinder the selection of women Board members and that the company deliberately seeks and includes women who meet the professional profile sought among the potential candidates, so as to achieve a balanced presence of women and men. Please also indicate whether these measures include encouraging the Company to have a significant number of women senior executives:

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Explanation of the measures

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Article 3.2 of the ACS's Rules of the Board of Directors expressly establish that the Board must ensure that the procedures for selecting its members favour diversity with respect to matters such as age, gender, disability, professional training and experience, and do not suffer from implicit biases that could imply any discrimination and, in particular, that they facilitate the selection of female directors in a number that allows a balanced presence of women and men. The Nominations Committee is responsible for proposing to the Board 'the policy on diversity on the basis of, among others, the criteria of age, disability, training, professional experience and gender, establishing the objectives in this respect'. In the Code of Conduct, the ACS Group expressly stipulates that 'we openly reject discrimination for any reason, and especially discrimination based on gender, and on the basis of age, religion, race, sexual orientation, nationality or disability'.

In this regard, the Nominations Committee promotes gender balance on the Board and, in particular, favours including women among potential candidates, ensuring that they meet the appropriate professional profile and objective criteria of merit and ability. This is demonstrated by the favourable reports from that committee regarding the re-election of four non-independent directors in 2023: Mr Florentino Pérez Rodríguez, Mr José Luis del Valle Pérez, Mr Pedro José López Jiménez and Ms María Soledad Pérez Rodríguez; the proposal made during the financial year for the appointment of two independent directors - Ms Lourdes Máiz Carro and Ms Lourdes Fraguas Gadea; and the re-election of three independent directors - Mr Antonio Botella García, Mr Emilio García Gallego and Ms Catalina Miñarro Brugarolas; published on the corporate website on the occasion of the Annual General Meeting.

When, in spite of the measures that have been adopted, where applicable, the number of women Board members and senior executives is few or zero, explain the reasons justifying this:

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Explanation of the reasons

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As stated above, the selection procedures for board members seek to facilitate the selection of female directors in a number that allows for a balanced presence of women and men, and in this regard, the

Nominations Committee takes into account, among the various diversity criteria, the inclusion of women among the potential candidates when vacancies arise on the board.

As a culmination of the efforts made by the Board and, in particular, by the Nominations Committee, in recent years in the area of gender diversity, at the Company's General Shareholders' Meeting held on 5 May 2023, two new female directors were appointed who, together with the female director appointed at the General Shareholders' Meeting held on 6 May 2022 and those who were already members of the Board previously and who were re-elected in 2023, have meant that **ACS's Board is now made up of 40% women, in line with the best national and international standards.** In particular, this means exceeding by seven points the criterion foreseen in the Annex to Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on a better gender balance among directors of listed companies and related measures, for all directors, and complying with Recommendation 15 of the CNMV's Good Governance Code for Listed Companies.

Furthermore, beyond promoting diversity on its Board and in addition to the commitments regarding equal opportunities and non-discrimination contained in its Human Rights Policy, ACS's Diversity Policy includes, among its diversity objectives and commitments, identifying talent at the various management levels of all ACS Group companies, both by hiring new executives and by promoting them internally, with the aim of favouring gender diversity, among others. To this end, ACS is committed to continuing to establish training and development programmes or other mechanisms that contribute to ensuring that talented individuals are promoted and stay at the ACS Group, regardless of any personal or social conditions or circumstances.

In particular, the percentage of women in senior management, which currently stands at 17.9% compared to 12.5% in 2022, allows the board, and particularly the Nominations Committee, to continue to foster measures to further increase this percentage.

#### C.1.7 Explain the conclusions of the nominations committee on the verification of compliance with the policy aimed at favouring an appropriate composition of the board of directors.

As explained in the previous sections, ACS is committed to promoting diversity, taking into account, among other aspects or criteria, age, gender, training, capacity and professional experience. In this respect, the Board relies on the Nominations Committee to achieve an appropriate composition of the Board, and this Committee ensures compliance with the Diversity Policy. In this respect, it is considered that the current composition of the Board as a whole is adequate for the best performance of its duties, having taken into account the different requirements of suitability and diversity, without prejudice to the fact that through the selection procedures the balanced presence of gender in the composition of the Board will continue to be promoted.

In this regard, in its reports and proposals concerning the appointment and re-election of Board Members submitted to the General Meeting held on 5 May 2023, the Nominations Committee considered both the individual suitability of each nominee, as well as the appropriate diversity of the Board as a whole. In this way the nominations contribute to the plurality of educational qualifications, knowledge, professional experience, gender and abilities that will best serve the full performance of the duties of the Board of ACS, taking into account the complexity of the Group, the different jurisdictions in which it operates, and the need for the Board to have the necessary independence to carry out its duties.

The Nominations Committee held that, with these re-elections and appointments, ACS's Board would not only continue to have the necessary skills, knowledge and experience to best perform the duties entrusted to it, but would also reinforce these aspects and therefore the suitability of the Board as a whole with the addition of the two new Board Members whose appointment was proposed. By adding two new female directors, ACS's commitment to diversity was reinforced, with its Board going from being composed of 26.67% female directors to 40% and from 40% independent directors to 53.3%, all while taking into account the legal criteria and recommendations of good governance in this respect.

C.1.8 If applicable, explain the reasons for appointing proprietary board members at the request of shareholders who have a holding of less than 3% of share capital:

Although CORPORACION FINANCIERA ALCOR, S.L. holds only 0.34% of the share capital of ACS, its controlling shareholders (Mr Alberto Alcocer and Mr Alberto Cortina) indirectly hold over 3% of ACS through the companies detailed in Section A.2. of this Report.

Indicate whether any formal requests by a shareholder to have a Board member appointed were denied although the shareholder holds the same or a higher number of shares than another shareholder at whose request Proprietary Board members were appointed. In this case, explain the grounds for denying this request:

Yes	No
	X

C.1.9 Indicate any powers and authority the Board has delegated to directors and board committees, including those relating to the possibility of issuing and redeeming shares:

Director or committee name	Brief description
MR FLORENTINO PÉREZ RODRÍGUEZ	ALL POWERS CORRESPONDING TO THE BOARD EXCEPT THOSE THAT CANNOT BE DELEGATED
EXECUTIVE COMMITTEE	ALL POWERS THAT CORRESPOND TO THE BOARD EXCEPT FOR THOSE THAT, BY LAW OR UNDER THE COMPANY BY-LAWS, ARE NON-DELEGABLE
MR JUAN SANTAMARÍA CASES	ALL THE POWERS CORRESPONDING TO THE BOARD EXCEPT THOSE THAT CANNOT BE DELEGATED BY LAW OR THE ARTICLES OF ASSOCIATION AND THE POWER TO PROVIDE ALL TYPES OF GUARANTEES FOR THE BENEFIT OF THIRD PARTIES THAT ARE NOT PART OF THE GROUP OF COMPANIES OF WHICH ACS IS THE PARENT COMPANY

C.1.10 Identify, if applicable, the Board members who hold office as directives, representatives of directors or executives at other companies forming part of the listed company's group:

Director name	Group company name	Position	Executive functions?
MR JOSÉ LUIS DEL VALLE PÉREZ	HOCHTIEF AG	MEMBER OF THE SUPERVISORY BOARD	NO
MR JOSÉ LUIS DEL VALLE PÉREZ	DRAGADOS, S.A.	BOARD MEMBER/ SECRETARY	NO
MR JOSÉ LUIS DEL VALLE PÉREZ	CIMIC GROUP LIMITED	BOARD MEMBER	NO
MR JOSÉ LUIS DEL VALLE PÉREZ	ACS SERVICIOS Y CONCESIONES, S.L.	BOARD MEMBER/ SECRETARY	NO
MR JAVIER ECHENIQUE LANDIRÍBAR	DRAGADOS, S.A.	BOARD MEMBER	NO
MR MARIANO HERNÁNDEZ HERREROS	DRAGADOS, S.A.	BOARD MEMBER	NO

MR MARIANO HERNÁNDEZ HERREROS	ACS SERVICIOS Y CONCESIONES, S.L.	BOARD MEMBER	NO
MR PEDRO JOSÉ LÓPEZ JIMÉNEZ	HOCHTIEF AG	CHAIRMAN OF THE SUPERVISORY BOARD, OF THE HUMAN RESOURCES COMMITTEE AND OF THE NOMINATIONS COMMITTEE	NO
MR PEDRO JOSÉ LÓPEZ JIMÉNEZ	DRAGADOS, S.A.	CHAIR	NO
MR PEDRO JOSÉ LÓPEZ JIMÉNEZ	CIMIC GROUP LIMITED	BOARD MEMBER. MEMBER OF THE REMUNERATION AND NOMINATIONS COMMITTEE AND THE ETHICS, COMPLIANCE AND SUSTAINABILITY COMMITTEE	NO
MR PEDRO JOSÉ LÓPEZ JIMÉNEZ	ACS SERVICIOS Y CONCESIONES, S.L.	CHAIR	NO
MR PEDRO JOSÉ LÓPEZ JIMÉNEZ	ABERTIS INFRAESTRUCTURAS, S.A.	BOARD MEMBER. MEMBER OF THE AUDIT AND CONTROL COMMITTEE AND OF THE NOMINATIONS AND REMUNERATION COMMITTEE	NO
MR PEDRO JOSÉ LÓPEZ JIMÉNEZ	ABERTIS HOLDCO, S.A.	BOARD MEMBER	NO
MR JUAN SANTAMARÍA CASES	HOCHTIEF AG	CEO	Yes
MR JUAN SANTAMARÍA CASES	ABERTIS, S.A.	CHAIR	NO
MR JUAN SANTAMARÍA CASES	THE TURNER CORPORATION	BOARD MEMBER	NO
MR JUAN SANTAMARÍA CASES	CIMIC GROUP LIMITED	EXECUTIVE CHAIR	Yes
MR JUAN SANTAMARÍA CASES	THIESS GROUP FINANCE PTY LTD	BOARD MEMBER	NO
MR JUAN SANTAMARÍA CASES	THIESS GROUP HOLDINGS PTY LTD	BOARD MEMBER	NO
MR JUAN SANTAMARÍA CASES	THIESS GROUP FINANCE USA PTY LTD	BOARD MEMBER	NO
MS SOLEDAD PÉREZ RODRÍGUEZ	ACS SERVICIOS Y CONCESIONES, S.L.	BOARD MEMBER	NO

C.1.11 List any board memberships, directorships or proxies of those directors held by directors or representatives of directors on the company's board of directors in other companies, whether or not they are listed companies:

Identification of the director or representative	Name of the company, listed or not	Position
MR JOSÉ LUIS DEL VALLE PÉREZ	DEL VALLE INVERSIONES, S.A.	JOINT AND SEVERAL DIRECTOR
MS CATALINA MIÑARRO BRUGAROLAS	MAPFRE, S.A.	BOARD MEMBER



MS CATALINA MIÑARRO BRUGAROLAS	MAPFRE ESPAÑA	BOARD MEMBER
MS CATALINA MIÑARRO BRUGAROLAS	MAPFRE INTERNACIONAL	BOARD MEMBER
MS CARMEN FERNÁNDEZ ROZADO	EDP (ENERGÍAS DE PORTUGAL) EN LISBOA	BOARD MEMBER
MS MARÍA JOSÉ GARCÍA BEATO	BANCO DE SABADELL, S.A.	BOARD MEMBER
MS MARÍA JOSÉ GARCÍA BEATO	IBERPAPPEL GESTIÓN, S.A.	BOARD MEMBER
MS MARÍA JOSÉ GARCÍA BEATO	MdF FAMILY PARTNERS, S.A.	BOARD MEMBER
MR JAVIER ECHENIQUE LANDIRÍBAR	TELEFÓNICA, S.A.	DEPUTY CHAIR AND COORDINATING DIRECTOR
MR JAVIER ECHENIQUE LANDIRÍBAR	TELEFÓNICA AUDIOVISUAL DIGITAL, S.L.U.	BOARD MEMBER
MR JAVIER ECHENIQUE LANDIRÍBAR	GRUPO CALCINOR, S.L.	BOARD MEMBER
MR JAVIER ECHENIQUE LANDIRÍBAR	FUNDACIÓN NOVIA SALCEDO	TRUSTEE
MR JAVIER ECHENIQUE LANDIRÍBAR	FUNDACIÓN ALTUNA	TRUSTEE
MR FLORENTINO PÉREZ RODRÍGUEZ	ROSAN INVERSIONES, S.L.	SOLE DIRECTOR
MR FLORENTINO PÉREZ RODRÍGUEZ	INVERPE, S.L.	SOLE DIRECTOR
MR FLORENTINO PÉREZ RODRÍGUEZ	HISPAVESAN, S.L.	SOLE DIRECTOR
MR PEDRO JOSÉ LÓPEZ JIMÉNEZ	FLAGOSER, S.L.	CHAIRMAN AND CEO
MR PEDRO JOSÉ LÓPEZ JIMÉNEZ	FIDALSER, S.L.	DIRECTOR REPRESENTATIVE
MR PEDRO JOSÉ LÓPEZ JIMÉNEZ	FAPIN MOBI, S.L.	DIRECTOR REPRESENTATIVE

MR PEDRO JOSÉ LÓPEZ JIMÉNEZ	ARAPILES XY, S.L.	DIRECTOR REPRESENTATIVE
MR PEDRO JOSÉ LÓPEZ JIMÉNEZ	CENTRO EMPRESARIAL CALLE MIGUEL YUSTE, S.L.	DIRECTOR REPRESENTATIVE
MR PEDRO JOSÉ LÓPEZ JIMÉNEZ	LOCYXX DOS, S.L.	SOLE DIRECTOR
MR PEDRO JOSÉ LÓPEZ JIMÉNEZ	FIDALRENT, S.L.	DIRECTOR REPRESENTATIVE
MR PEDRO JOSÉ LÓPEZ JIMÉNEZ	FIDALRENT SKY PARK, S.L.	DIRECTOR REPRESENTATIVE
MR PEDRO JOSÉ LÓPEZ JIMÉNEZ	FIDALRENT RESIDENCIAL, S.L.	DIRECTOR REPRESENTATIVE
MR PEDRO JOSÉ LÓPEZ JIMÉNEZ	MAF INVERSIONES, S.A.	DIRECTOR REPRESENTATIVE
MR PEDRO JOSÉ LÓPEZ JIMÉNEZ	PICASSO MUSEUM OF MÁLAGA	TRUSTEE
MR PEDRO JOSÉ LÓPEZ JIMÉNEZ	REAL MADRID CLUB DE FÚTBOL	DEPUTY CHAIR
MS LOURDES MÁIZ CARRO	BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	BOARD MEMBER
MS LOURDES FRAGUAS GADEA	OESIA GROUP	BOARD MEMBER
MS LOURDES FRAGUAS GADEA	MIRTO CORPORACIÓN EMPRESARIAL	BOARD MEMBER
MS LOURDES FRAGUAS GADEA	COFARES DIVERSIFICACIÓN, S.L.	BOARD MEMBER

## Comments

The following positions are remunerated: (i) **Ms Catalina Miñarro Brugarolas**: Director of Mapfre, S.A., Director of Mapfre Spain and Director of Mapfre International; (ii) **Ms Carmen Fernández Rozado**: Director of Energías de Portugal (EDP) in Lisbon; (iii) **Ms María José García Beato**: Director of Banco de Sabadell, S.A., Director of Iberpapel Gestión, S.A., and Director of MdF Family Partners, S.A.; (iv) **Mr Javier Echenique Landiríbal**: Director of Telefónica, S.A., Director of Telefónica Audiovisual Digital, S.A.U. and Director of the Calcinor Group; (v) **Mr Florentino Pérez Rodríguez**: Sole Director of Rosán Inversiones, S.L. (vi) **Mr Pedro López Jiménez**: Chairman and Chief Executive Officer of Flagoser, S.L. and Individual representative of the Sole Director of Fidalsar, S.L. (Flagoser, S.L.); (vii) **Ms Lourdes Fraguas Gadea**: Director of Grupo Oesia and Cofares Diversificación, S.L; and (viii) **Ms Lourdes Máiz Carro**: Director of Banco Bilbao Vizcaya Argentaria, S.A.

Indicate, where applicable, any other remunerated activities of directors or representatives of directors, regardless of their nature, other than those indicated in the previous table.

Identification of the director or representative	Other remunerated activities
MR EMILIO GARCÍA GALLEGO	FREELANCE CIVIL ENGINEERING
MR JAVIER ECHENIQUE LANDIRÍBAR	MEMBER OF THE ADVISORY BOARD OF TELEFÓNICA DE ESPAÑA; MEMBER OF THE MCKINSEY ADVISORY COUNCIL; AND CHAIRMAN OF THE ADVISORY BOARD OF BANCO SABADELL GUIPUZCOANO
MS MARÍA JOSÉ GARCÍA BEATO	PRACTISING LAWYER
MR MARIANO HERNÁNDEZ HERREROS	PRIVATE MEDICAL PRACTICE
MR JOSÉ ELADIO SECO	SENIOR ADVISOR AT KEARNEY

C.1.12 Indicate, and if applicable, explain whether the Company has established any rules about the maximum number of company boards on which its board members may sit, if so identifying where this is regulated:

Yes	No
	X

C.1.13 Indicate the amounts of the items relating to the overall remuneration of the Board as follows:

Remuneration accrued by the Board in the year (thousands of euros)	23,098
Amount of funds accumulated by current directors under long-term savings schemes with consolidated economic rights (thousand euros)	65,723
Amount of funds accumulated by current directors under long-term savings schemes with unconsolidated economic rights (thousand euros)	0
Value of the pension rights accumulated by former directors under long-term savings schemes (thousands of euros)	3,674

## Comments

C.1.14 Identify the senior executives who are not executive directors and indicate the total remuneration paid to them during the year:

Name or company name	Position
MR ÁNGEL MANUEL GARCÍA ALTOZANO	Corporate General Manager of ACS, Actividades de Construcción y Servicios, S.A.
MR EMILIO GRANDE ROYO-VILLANOVA	CFO of ACS, Actividades de Construcción y Servicios, S.A.
MR ÁNGEL MANUEL MURIEL BERNAL	Deputy General Manager to the CEO of ACS, Actividades de Construcción y Servicios, S.A.
MS CRISTINA ALDÁMIZ-ECHEVARRIA GONZÁLEZ DE DURANA	Finance and Corporate Development Manager of ACS Actividades de Construcción y Servicios, S.A.
MR RAMON VILLAAMIL PEREZ	Chief Risks Officer of ACS, Actividades de Construcción y Servicios, S.A.
MR ALEJANDRO MATA ARBIDE	Administration Manager of ACS Actividades de Construcción y Servicios, S.A.
MS RAQUEL LOMILLOS MARTIN	Internal Audit Manager of ACS, Actividades de Construcción y Servicios, S.A.
MR ALFONSO ESTEBAN MORENO GARCÍA	Chief Legal Officer of ACS, Actividades de Construcción y Servicios, S.A.
MR ANTONIO GARCIA FERRER	Chair of the ACS Foundation
MR ENRIQUE JOSÉ PÉREZ RODRÍGUEZ	Natural person representing the Sole Director of Cogesa. S.A.
MR EUGENIO LLORENTE GÓMEZ	Industrial Project Manager
MR SANTIAGO GARCÍA SALVADOR	Chief Executive Officer of Dragados, S.A.
MR LUIS NOGUEIRA MIGUELSANZ	Secretary General of Dragados, S.A.
MS MARTA NOGUEROLLES RODRIGUEZ	Administration Manager of Dragados, S.A.
MR RICARDO MARTÍN DE BUSTAMANTE VEGA	Director of Civil Works of Dragados, S.A.
MR GONZALO GÓMEZ-ZAMALLOA BARAIBAR	Director of Building of Dragados, S.A.
MR RICARDO GARCÍA DE JALÓN MORGÁ	Manager of Spain at Dragados, S.A.
MR JOSÉ ANTONIO LÓPEZ-MONÍS PLAZA	North America Manager of Dragados, S.A.
MR RAMÓN ASTOR CATALÁN	Latin America Manager of Dragados, S.A.
MR FEDERICO CONDE DEL POZO	Europe Manager of Dragados, S.A.
MR JOSÉ MARÍA AGUIRRE FERNÁNDEZ	Sole Director of Vías y Construcciones, S.A.
MR CARLOS ROYO IBÁÑEZ	Industrial Projects Manager
MR FRANCISCO REINOSO TORRES	Director of Administration and Finances, ACS Servicios y Concesiones, S.L.
MS NURIA HALTIWANGER	Chair of Iridium, Concesiones de Infraestructuras, S.A.
MR DAVID CID GRUESO	Director of Administration of Iridium, Concesiones de Infraestructuras, S.A.
MR CRISTÓBAL VALDERAS ALVARADO	Natural person representing the Sole Director of Clece, S.A.
MR JAVIER ROMÁN HERNANDO	General Manager of Clece, S.A.
MS PURIFICACIÓN GONZÁLEZ PÉREZ	Head of Human Resources of Clece, S.A.

Number of women in senior management positions	5
Percentage of total senior executives	17.9%

Total Senior Executive remuneration (thousand euros)	32,030
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Comments

C.1.15 Indicate whether any amendments have been made to the Rules of the Board of Directors during the year:

Yes	No
	x

C.1.16 Indicate the procedures for selection, appointment, re-election, and removal of Board members. List the competent bodies, the formalities to be fulfilled and the criteria to be used in each of the procedures.

The procedures for the selection, appointment, re-election and removal of the Board members of the Company are regulated in the Rules of the Board of Directors. The Board of the Company is composed of a minimum of 11 and a maximum of 21 members. Within this limit, the Company's Board will (subject to a report from the Nomination Committee) propose to the General Shareholders' Meeting both the number of Directors and the appointment or re-election of the persons to be appointed, except in the case of independent Directors, who must be nominated by the Nominations Committee. The nominations must state the category of the Directors proposed and in all cases must be accompanied by a report from the Board justifying the appointment, and in the case of non-independent board members, also from the Nominations Committee, assessing the competence, experience and merits of the candidate, in accordance with the diversity criteria generally contemplated in the Diversity Policy (Articles 3 and 5 of the Rules of the Board of Directors).

In addition, if vacancies arise, the Board may provisionally fill them by appointing directors by co-option until the next General Meeting, following a report or at the proposal of the Nominations Committee based on the director's category, applying the above procedures and criteria in this regard. If any vacancy arises after the General Meeting has been called but before it is held, the Board may appoint a Board member until the following General Meeting is held. The directors appointed this way by the Board need not necessarily be a shareholder of the Company (Article 3 of the Rules of the Board of Directors).

In turn, the Board must, with the collaboration and support of the Nominations Committee, ensure that the selection procedures for its members favour diversity as regards matters such as age, gender, disability or training and professional experience and are not affected by any implicit bias that may entail any kind of discrimination and, in particular, that they facilitate the selection of women directors in a number that allows a balanced presence of women and men to be achieved, taking into account in this regard the criteria established in the Company's Diversity Policy.

The appointment of the Board members will expire when their term has ended and the next General Meeting has been held, or following the legal period within which the Meeting is to be held to resolve on whether or not to approve the financial statements for the previous year. However, Proprietary Board members must resign when the shareholder they represent fully disposes of its shares by any means (Article 13 of the Rules of the Board of Directors).

Board members must also report and, if appropriate, resign when situations arise that affect them, whether or not they are related to their actions in the Company itself, that may damage the credit and reputation of the Company and, in particular, any criminal proceedings in which they are under investigation, and of their procedural developments (Article 14 of the Rules of the Board of Directors).

C.1.17 Explain to what extent the annual assessment of the Board led to significant changes to its internal organisation and to the procedures applicable to its activities:

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Description of amendments

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Pursuant to Article 9 of the Rules of the Board of Directors and section 529 (nonies) Corporate Enterprises Act, ACS's Board evaluates its performance and that of its committees on an annual basis. In line with Code of Good Governance Recommendation 36, which states that: "every three years, the board of directors must be assisted by an external consultant in carrying out the evaluation, whose independence must be verified by the nominations committee" and exceeding that code's recommendations, ACS is supported by an independent external consultant to carry out this evaluation process every year. In this regard, for the 2023 assessment, the independent external assessor completed its assessment report in March 2024.

Following the evaluation process, it was concluded that the Board's composition is appropriate in view of the ACS Group's decentralised governance model, and the new members added to the Board are highly valued for their professional experience. Likewise, with respect to the functioning and performance of the Board, its members stressed, on the one hand, the improvement in aspects such as the training provided in matters necessary for them to carry out their duties correctly, such as corporate governance, regulatory compliance and sustainability and, on the other hand, they unanimously recognised the improvement in the level of information and time devoted at Board meetings to reviewing the environment and level of risks applicable to the Group's activities, the main current and future projects, as well as the strategic orientation of the Group in each area of activity, especially the explanations provided by the Chief Executive Officer. It also once again recognised how the Chair makes the Board more efficient and, in particular, the work of the Secretary of the Board.

Likewise, it also rated each of the Board members' performance and contributions in 2023 highly, in particular, those of the Chairs of the various Board Committees.

Describe the evaluation process and the areas evaluated that have been carried out by the board of directors assisted, if applicable, by an external consultant, with respect to the functioning and composition of the board and its committees and any other area or aspect that has been subject to evaluation

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Description of the evaluation process and areas evaluated

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The Board carries out an annual self-assessment of its performance and that of its Committees (Executive Committee, Audit Committee, Remuneration Committee and Nominations Committee) consisting of each of the directors filling out a personalised self-assessment questionnaire, in-person interviews with the members of the Board, a review of the relevant corporate documentation for the purposes of the assessment, and personal interviews with each of the members of the Board to analyse the most significant results of the questionnaires, the evolution in their perception of the Board and its Committees during the year under evaluation, the degree of compliance with the action plan resulting from the previous year's assessment, and any areas of improvement that they identified to improve the functioning of the Board and its Committees.

As noted in the previous section, an external advisor assisted in the Board evaluation process conducted in 2024 with respect to 2023. In its report, in addition to assessing 2023, it compared the 2023 results with those obtained from the assessment of the period from 1 July 2021 to 31 December 2022, as this was the period covered by the last assessment process it carried out.

Among other issues, the composition of the Board and its Committees, its organisation and functioning, and the performance of responsibilities by the Board and its Committees and by the Chair of the Board, the Chief Executive Officer and the Secretary General Director were assessed.

Based on the results obtained from the evaluation process, a work plan was developed to make further progress in certain areas identified by the directors.

With regard to the positions on the Board of Directors, it noted the Chair's good performance of his duties in leading the Board, and of the Executive Committee, stressing their dedication, capacity for work and

dialogue with the Board members. As for the Chief Executive Officer, the report highly valued the clarity and detail with which he has explained the strategic positioning of the ACS Group, its most relevant projects and its situation in the meetings of the Executive Committee and the Board. With regard to the performance of the Secretary of the Board, the evaluation report states that all the Board members consider him to be key to the proper functioning of the Board and its Committees, and they have full confidence in his ability to manage the legal and corporate affairs.

With regard to the Executive Committee, the self-assessment process found that the Committee has carried out its duties very effectively, adopting its decisions after a process of debate and analysis, and that it acts as a body for discussion and dialogue in preparation for Board meetings. Among others, it stressed a significant improvement in the level of dialogue between the Executive Committee and senior management, the efficient use of time during the meetings, as well as the good structuring and content of the agenda, together with the adequate reflection and specification in the minutes of the content of the meetings and the speeches made.

In relation to the Audit Committee, the self-assessment process concluded that the Committee is increasingly active and the general perception is that its meetings and functioning are carried out appropriately. Among others, it noted the progress made in the area of sustainability as a new area of analysis of the Committee, the very positive assessment of the appointment of a Chief Risks Officer and the improvement in the treatment and analysis of risks, having made progress in the systematisation of their analysis, as well as in the reinforcement of the areas of compliance, internal audit and internal control. In general, the committee members said that there is adequate access to the executives involved in the committee's activities and that they either speak at committee meetings when asked to do so or that the directors hold meetings with them before committee meetings.

With regard to the Remuneration Committee, the self-assessment process highlighted the importance of the presentations made by the Chairman of the Committee to the Board to report on the activity and matters dealt with by the Committee, the multi-year remuneration plans and the importance of providing complementary training and support from external advisors for the better performance of its functions.

As regards the Nominations Committee, the 2023 self-assessment process showed that it is carrying out the duties assigned to it without having brought up any relevant comments on its activity or performance, and the assessment by the members of the Committee is very positive, in aspects such as additional training and the support of external advisors and the smooth running of the Committee's meetings, where there is a working atmosphere with open and sincere dialogue, allowing the members to freely take a position and express their views. In particular, the improvement in relation to gender diversity on the Board was highlighted.

**C.1.18 Breakdown, in those years in which the evaluation was assisted by an external consultant, of the business relations that the consultant or any company in its group maintains with the company or any company in its group.**

The business relations between the external consultant that assisted in the process of evaluating the Company and the entities in the ACS Group represent less than 1% of that consultant's total turnover in Spain and, in any case, does not generate a situation that could compromise or affect its independence in providing the services.

**C.1.19 Indicate the cases in which Board members must resign.**

Under Article 13 of the Rules of the Board of Directors, proprietary board members must resign from the Board when the shareholder they represent fully disposes of its shares by any title.

Similarly, under Article 14 of the Rules of the Board of Directors, any Board Member must report, and if appropriate, resign when situations arise that affect them, whether or not they are related to their actions in the Company itself, that may damage the credit and reputation of the Company and, in particular, any criminal proceedings in which they are under investigation, and of their procedural developments. After having been informed or otherwise learned of the matter, the Board will examine the case as soon as possible and, having regard to the specific circumstances, will decide, following a report from the



Nominations Committee, whether to take any action, such as opening an internal investigation, requesting the resignation of the Director or proposing the Director's removal.

C.1.20 Are qualified majorities, other than statutory majorities, required for any type of decision?:

Yes	No
	X

C.1.21 State whether there are specific requirements, other than those related to Board members, to be nominated as Chair.

Yes	No
	X

C.1.22 Indicate whether the By-Laws or the Rules of the Board of Directors set any age limit for Board members:

Yes	No
	X

C.1.23 Indicate if the By-Laws or the Rules of the Board of Directors establish a limited term of office or other additional requirements stricter than legal requirements for independent board members, aside from what is laid down in the regulations:

Yes	No
	X

C.1.24 Indicate whether the By-Laws or the Rules of the Board of Directors establish specific rules for delegating other directors as proxies on the Board, the form of doing so and, in particular, the maximum number of delegations that a Board member can hold, and any limitations established with regard to the classes of Board member to whom votes may be delegated above and beyond the legal restrictions established. Where applicable, give a brief description of these rules.

Under Article 11 of the Rules of the Board of Directors, and without prejudice to their obligation to attend Board meetings, directors who may not personally attend a meeting may be represented at the meeting and cast their vote by delegating it to another Director. This delegation must be in writing to the Chairman and must be in the form of a letter, email or any other written means that acknowledges receipt by the addressee. Non-Executive Directors may only delegate their votes to other non-executive Directors.

C.1.25 Indicate the number of meetings that the Board held during the year. In addition, indicate the number of times the Board has met without the presence of the Chair, if applicable. In this calculation, Board members who have granted proxies without specific instructions will be considered to present.

Number of Board meetings	7
Number of board meetings without the presence of the chair	0

Indicate the number of meetings held by the coordinating director with the other directors, without the attendance or representation of any executive directors:

Number of meetings held by the coordinating director with the other directors, without the attendance or representation of any executive directors	0
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Indicate the number of meetings held during the year by the different board committees:

Number of executive committee meetings	10
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Number of audit committee meetings	7
Number of nominations committee meetings	2
Number of remuneration committee meetings	2

C.1.26 Indicate the number of meetings held by the Board during the year and the information on attendance by its members:

Number of meetings attended by at least 80% of the directors	7
In person attendance as a % of the total votes during the year	94.29
Number of meetings attended by all directors in person or by proxy with specific instructions	2
% of votes cast in person and proxies issued with specific instructions, out of the total votes cast during the year	94.29

C.1.27 Indicate whether the individual and consolidated financial statements are certified before being presented to the Board for formulation:

Yes	No
X	

Identify, if applicable, the person(s) who certified the company's individual and consolidated financial statements for authorisation by the Board:

Name	Position
ÁNGEL MANUEL GARCÍA ALTOZANO	CORPORATE GENERAL MANAGER

C.1.28 Explain the mechanisms, if any, established by the Board to ensure that the annual accounts submitted by the Board to the General Shareholders' Meeting are drawn up in accordance with accounting regulations.

As required under Article 25 of the Rules of the Board of Directors, Audit Committee meetings are held at the beginning and end of the audit of the Company's and the Group's individual and consolidated financial statements, and before the issue of the pertinent audit reports. The Committee also meets on the occasion of the preparation of the mandatory financial information which the Company is required to publish.

The Company's Auditor attends the Audit Committee meetings when expressly convened to present the most significant aspects of the audits carried out, and the external auditor also attends, which also allows the Committee to verify sufficiently in advance the existence of differences of criteria between the Company's and its Group of Companies' accounting policies and the interpretation of their Auditor.

In addition, the functions of the Audit Committee include:

- To report to the General Meeting on all matters arising within the mandate of the Committee and, in particular, on the result of the audit, explaining how the audit contributed to the integrity of the financial information and the role that the Committee played in that process.

- To oversee and evaluate the preparation and presentation of the financial and non-financial information of the company and where applicable, that of the group, while reviewing the compliance with regulatory requirements and ensuring the adequacy of the consolidation scope defined and the appropriate application of accounting criteria, and in particular knowing, understanding and overseeing the efficiency of the internal financial information control system (IFICS). The Committee may present recommendations or proposals to the Board to safeguard the integrity of the financial information.
- To first report to the Board on the financial information and directors' report, which will include, where appropriate, the mandatory non-financial information that the Company must periodically publish.
- To ensure that the Annual Financial Statements that the Board submits to the General Meeting are drawn up in accordance with accounting regulations and that, in cases where the auditor has indicated a reservation in its report, the Chair of the Audit Committee explains its content and scope with clarity in the General Meeting in the opinion of the Audit Committee, placing a summary of their opinion at the shareholders' disposal when the meeting call is published, together with the other proposals and reports.

#### C.1.29 Is the Secretary of the Board a Board Member?

Yes	No
X	

#### C.1.30 Indicate the specific mechanisms established by the company to preserve the independence of external auditors, and any mechanisms to preserve the independence of financial analysts, investment banks and rating agencies, including how the legal provisions have been implemented in practise.

The mechanisms established by the Company to preserve the independence of its external auditors, financial analysts, investment banks and rating agencies are framed in the functions of the Audit Committee included in Article of the 25 Rules of the Board of Directors.

Regarding the auditor, Article 25 of the Rules of the Board of Directors expressly stipulates that the Audit Committee's duties include establishing the appropriate relationships with the external auditor for the purpose of receiving information on any matter which may jeopardize the respective independence, for the examination of the Committee, and any other matters relating to the development process of the financial auditing, and when applicable authorise the services other than those which are prohibited, under the terms provided for in the applicable regulations, in addition to any other notification provided for under Spanish laws regarding financial auditing and technical auditing standards. In any case, it must receive a statement from the external auditors each year attesting to their independence in relation to the entity or entities directly or indirectly related to it, and detailed and individualised information on the additional services of any kind rendered and the corresponding fees received from these entities by the external auditor or by the persons or entities related to it in accordance with auditing legislation.

In this context, the auditor regularly reports to the Audit Committee on the work carried out aside from auditing the financial statements in accordance with the Company's current policy, since it has a Corporate Procedure for Compliance with Auditor Independence, which aims to establish the framework for the ACS Group within which the Company's legal auditor is authorised to provide non-audit services and establishes the procedure that must be complied with to allow the approval of the services that may be considered admissible. This policy applies to any entity that is part of the ACS Group, regardless of the jurisdiction in which the entity is domiciled.

The Audit Committee is also responsible for submitting proposals to the Board for the selection, appointment, re-election and replacement of the external auditor, being responsible for the selection process, and the terms and conditions of its engagement, and to this end it must: (i) define the auditor selection procedure; (ii) issue a reasoned proposal that will contain at least two alternatives for the selection of the auditor, except for the re-election of the auditor; (iii) regularly obtain information from the external auditor on the audit plan, its implementation and any other issues related to the audit process, in particular

any discrepancies that may arise between the auditor and the Company's management, in addition to preserving its independence in the exercise of its duties; (iv) ensure that the remuneration of the external auditor for its work does not compromise its quality or independence, and establish a guiding limit on the fees that the auditor may receive annually for non-audit services; (v) ensure that the Company and the external auditor comply with current rules on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, the other rules on auditor independence; and (vi) make a final assessment of the auditor's performance and how it has contributed to the quality of the audit and the integrity of the financial information.

In turn, the Audit Committee, which is responsible for relations with the Company's external auditors, must refrain from proposing to the Board, which in turn must refrain from submitting to the General Meeting, the appointment as auditor of any audit firm that is involved in any cause of legal incompatibility.

C.1.31 Indicate whether the company changed its external auditors during the year. If so, identify the incoming and outgoing auditors:

Yes	No
X	

  

Outgoing auditor	Incoming auditor
KPMG auditores, S.L.	Deloitte, S.L.

  

Comments

At the General Shareholders' Meeting held on 5 May 2023, Deloitte, S.L., with tax identification number B-79104469 and Chartered Audit Firm (ROAC) number SO692, was appointed as auditor of both the company and the Group of Companies of which ACS, Actividades de Construcción y Servicios, S.A., is the parent company, for three years, 2023, 2024 and 2025, replacing KPMG Auditores, S.L. with tax identification number B78510153 and ROAC number S0702.

C.1.32 Indicate whether the audit firm performs other non-audit work for the company and/or its group and, if so, state the amount of fees received for that work and the percentage this amounts represents of the audit fees billed to the company and/or its group:

Yes	No
X	

  

	Society	Companies of the Group	Total
Amount of other non-audit work (thousands of euros)	84	1,807	1,891
Amount of other non-audit work/ Audit services amount (as a %)	8.2%	17.7%	16.8%

Comments

C.1.33 Indicate whether the Auditors' report on the financial statements for the previous year had any qualifications. If applicable, indicate the reasons given to shareholders at the General Meeting by the Chair of the Audit Committee to explain the content and scope of these qualifications.

Yes	No
	X

Explanation of the reasons and direct link to the document made available to shareholders at the time of the call in relation to this matter

C.1.34 Indicate the number of uninterrupted years that the current auditing firm has audited the separate and consolidated financial statements of the company. Also indicate the percentage that the number of years audited by the current auditing firm represents of the total number of years which the financial statements have been audited:

	Separate	Consolidated
Number of uninterrupted years	1	1

	Separate	Consolidated
Number of years audited by current auditing firm /Number of years that the company or its group has been audited (as a %)	88,24%	88,24%

Comments

C.1.35 Indicate and if applicable provide details of any procedure for board members to obtain the information required to prepare for the meetings of the administrative bodies with sufficient time:

Yes	No
X	

Detail of procedure

In the performance of their duties, the Company's Directors have the duty to demand and the right to obtain from the Company the appropriate and necessary information to discharge their obligations. Unless the Board has been convened or has been exceptionally called for reasons of urgency, the Directors must have the information they need sufficiently in advance for deliberation and the adoption of resolutions on the matters to be discussed and in the appropriate format (Articles 17 and 22.2[c] of the Rules of the Board of Directors).

Without prejudice to the above right to information, directors also have the right to seek external advice when they deem it necessary for the proper performance of their duties, as expressly contemplated in the Rules of the Board of Directors with respect to the members of the Board Committees (Articles 25, 27 and 28 of the Rules of the Board of Directors), which should be understood to be generally applicable to all members of the Board in relation to the exercise of their functions. Requests not only for information but also for external advice from directors will be channelled through the Secretary of the Board.

C.1.36 Indicate and, where applicable, specify whether the company has established rules that require directors to report and, where applicable, resign when situations affect them, whether or not related to their actions in the company itself, that may harm its credit and reputation:

Yes	No
X	

Explanation of rules

Articles 14 and 15 of the Rules of the Board of Directors regulate the general duties of care and loyalty of directors in exercising the functions inherent to their position. In particular, Article 14.2 (f) of the Rules of the Board of Directors requires Board members to report, and if appropriate, resign when situations arise that affect them, whether or not they are related to their actions in the Company itself, that may damage the credit and reputation of the Company and, in particular, any criminal proceedings in which they are under investigation, and of their procedural developments. After having been informed or otherwise learned of the matter, the Board will examine the case as soon as possible and, having regard to the specific circumstances, will decide, following a report from the Nominations Committee, whether to take any action, such as opening an internal investigation, requesting the resignation of the Director or proposing the Director's removal. This must be reported in the Annual Corporate Governance Report, unless there are special circumstances that justify otherwise, which must be recorded in the minutes, without prejudice to the information that the Company must disclose, if appropriate, at the time the corresponding measures are adopted. Likewise, article 14.2 (e) establishes that directors must adopt the necessary measures to avoid incurring in situations in which their interests may conflict with the corporate interest and their duties to the Company.

In line with the above, article 15.3 of the Rules of the Board of Directors specifies the obligation of directors to notify the Board of any situation of direct or indirect conflict that they or persons related to them may have with the Company's interests.

C.1.37 Indicate, unless special circumstances have arisen that have been recorded in the minutes, whether the Board has been informed of or has otherwise become aware of any situation affecting directors, whether or not related to their work in the company itself, that may harm its credit and reputation:

Yes	No
	X

C.1.38 Detail the significant agreements entered into by the Company that will come into force, be modified or terminate in the event of a change in control over the Company resulting from a takeover bid, and the effects thereof.

The notes issued by ACS, Actividades de Construcción y Servicios, S.A., under its Euro Medium Term Note Programme (EMTN Programme), which was approved by the Central Bank of Ireland, in the Euromarket for a nominal amount of EUR 750 million (maturing in June 2025 and with an annual coupon of 1.375%) and another private issue for a nominal amount of EUR 50 million (with a coupon of 4.75% maturing in November 2026).

C.1.39 Identify individually for directors and cumulatively for all other cases, and indicate, in detail, the agreements between the Company and its executives and officers or employees who have termination benefits, guarantee or golden parachute clauses, when they resign or are dismissed unfairly or the contractual relationship ends due to a takeover bid or other type of operation.

The General Meeting will be deemed to have been informed of clauses to the extent that they are mentioned in the Annual Remuneration Report submitted for approval at the Ordinary General Shareholders' Meeting on a consultative basis.

Executive directors do not have a right to compensation if their executive functions are terminated, except the CEO, whose compensation will be equal to two years, and will be calculated based on fixed remuneration plus the amount corresponding to variable remuneration, assuming 100% fulfilment of targets. Compensation is not awarded if the removal arises as a result of wilful misconduct or gross negligence by the CEO in the performance of his duties causing losses to the Company.

No compensation is envisaged for a change of control.

Indicate whether these contracts have to be disclosed to and/or approved by the bodies of the Company or of its Group beyond what is required by law. If yes, specify the procedures, cases envisaged and the nature of the bodies responsible for their approval or making the communication:

	Board	General Meeting
Body authorising the clauses	X	

	YES	NO
Is the General Meeting informed about the clauses?	X	

Comments

## C.2 Committees of the Board

C.2.1 Detail all the Committees of the Board, their members and the proportion of executive, proprietary, independent and other external Board Members on them:

Executive Committee		
Name	Position	Category
MR FLORENTINO PÉREZ RODRÍGUEZ	CHAIR	Executive
MR PEDRO JOSÉ LÓPEZ JIMÉNEZ	DEPUTY CHAIR	Other External
MR JUAN SANTAMARÍA CASES	BOARD MEMBER	Executive
MR JAVIER ECHENIQUE LANDIRÍBAR	BOARD MEMBER	Proprietary
MS CARMEN FERNÁNDEZ ROZADO	BOARD MEMBER	Independent

% executive directors	40%
% Proprietary Board Members	20%
% Independent Board Members	20%
% Other External Board Members	20%

Explain the functions delegated or attributed to this Committee other than those already described in section C.1.9, and describe the procedures and rules for its organisation and functioning. For each of these functions, indicate its most important actions during the year and how it exercised each of the functions attributed to it in practise, whether by law or under the Company By-Laws or other corporate resolutions.

The Executive Committee exercises, by delegation of the Board, all the powers corresponding to the Board except those that, by law or the Company's Company By-Laws, cannot be delegated. Nevertheless, the Board may delegate its authority to hear and decide upon any matter under its competence and, for its part, the Executive Committee may submit decisions on any matter to the Board, if even though it is a matter under its competence, it deems it necessary or expedient for the Board to decide upon it.

The Committee will meet as often as called by its Chair, at the Chair's own initiative or at the request of at least two of its members. It will be held convened when the majority of its members attend, present or represented, and unless the legislation in force, the Company's Company By-Laws or the Rules of the Board of Directors provide otherwise, it will pass its regulations by majority vote of those attending, present or represented.



The Secretary of the Board is appointed as Secretary of the Committee and may speak but may not vote.

Insofar as deemed necessary, and with the necessary adaptations, the operation of the Executive Committee will be governed by the Rules of the Board of Directors regarding its operation.

In 2023, the Executive Committee met 10 times, analysing the Company's financial information exhaustively, and it made decisions in the different areas of its competence, particularly in relation to the Goals and Strategies to be followed in its business.

Audit Committee		
Name	Position	Category
MR JOSÉ ELADIO SECO DOMÍNGUEZ	CHAIR	Independent
MR EMILIO GARCÍA GALLEGO	BOARD MEMBER	Independent
MS CATALINA MIÑARRO BRUGAROLAS	BOARD MEMBER	Independent
MS MARÍA SOLEDAD PÉREZ RODRÍGUEZ	BOARD MEMBER	Proprietary
MS CARMEN FERNÁNDEZ ROZADO	BOARD MEMBER	Independent

% executive directors	–
% Proprietary Board Members	20%
% Independent Board Members	80%
% Other External Board Members	–

Explain the functions, including, where appropriate, those in addition to those legally envisaged, attributed to this Committee, and describe the procedures and rules of its organisation and functioning. For each of these functions, indicate its most important actions during the year and how it exercised each of the functions attributed to it in practise, whether by law or under the Company By-Laws or other corporate resolutions.

The Audit Committee has the following functions:

In relation to the **oversight of financial and non-financial information**:

a. To report to the General Meeting on all matters arising within the mandate of the Committee and, in particular, on the result of the audit, explaining how the audit contributed to the integrity of the financial information and the role that the Committee played in that process.

b. To oversee and evaluate the preparation and presentation of the financial and non-financial information of the Company and where applicable, that of the group, while reviewing compliance with regulatory requirements and ensuring the adequacy of the consolidation scope defined and the appropriate application of accounting criteria, and in particular knowing, understanding and overseeing the efficiency of the Internal Control Over Financial Reporting System (ICFRS). The Committee may present recommendations or proposals to the Board to safeguard the integrity of the financial information.

c. To first report to the Board on the financial information and directors' report, which will include, where appropriate, the mandatory non-financial information that the Company must periodically publish.

d. To ensure that the Annual Financial Statements that the Board submits to the General Meeting are drawn up in accordance with accounting regulations and that, in cases where the auditor has indicated a qualification in its report, the Chair of the Audit Committee explains its content and scope with clarity in the

General Meeting in the opinion of the Audit Committee, placing a summary of their opinion at the shareholders' disposal when the meeting call is published, together with the other proposals and reports.

In relation to the **oversight of internal controls and internal audits**:

e. To oversee the effectiveness of the Company's internal controls, ensuring that the internal control policies and procedures in place are applied effectively in practice, and that of the internal audit, while discussing any significant weaknesses in the internal control system identified during the performance of the audit with the statutory auditor, all of which must be done without compromising its independence, while providing its conclusion on the level of its trust in and reliability of the system. To this end, as the case may be, it may make recommendations or proposals to the Board and define the corresponding time-frame allowed for follow-up.

f. To oversee the independence of the internal audit unit; propose the selection, appointment, re-election and removal of the head of the internal audit department; propose the budget for the service; approve, or propose the board approve, its orientation and annual internal audit plan, ensuring that activities are directed principally towards key risks for the company (including reputational risks); receive regular information on internal activities; ensure that senior management takes the conclusions and recommendations of internal audit reports into consideration; and to conduct an annual review of the functioning of the internal audit unit and the performance of its functions by its head.

g. To establish and supervise a mechanism that allows employees and other persons related to the Company, such as directors, shareholders, suppliers, contractors or subcontractors, to confidentially report any potentially significant irregularities, including financial, accounting or any other irregularities related to the Company that they notice within the Company or its group, receiving regular information on its operation and being able to propose appropriate actions for its improvement and the reduction of risk in the future.

As pertains to the **oversight of risk management and control**:

h. To supervise and evaluate the effectiveness of the financial and non-financial risk management systems related to the Company and its group, including operational, technological, legal, social, environmental, political and reputational risks and those related to corruption.

i. To re-assess, at least annually, the list of the most significant financial and non-financial risks and assess the respective level of risk tolerance, while proposing, where appropriate, the corresponding adjustment to the Board. For these purposes, the Committee will hold, at least annually, a meeting with the heads of the business units in which they will explain the business trends and associated risks.

Directly to oversee the performance of the internal control and risk management functions carried out by any unit or department of the Company.

In relation to the **external auditor**:

k. To submit proposals to the Board for the selection, appointment, re-election and replacement of the external auditor, being responsible for the selection process, and the terms and conditions of its engagement, and to this end it must.

1. define the process for selection of the auditor; and
2. issue a justified proposal that will contain at least two alternatives for the selection of the auditor, except in the case of the auditor's re-appointment.

l. To obtain regular information from the external auditor on the audit plan, its execution and any other issues related to the financial auditing process, in particular any discrepancies that may arise between the statutory auditor and the Company's management, in addition to preserving its independence while performing its functions.

m. To establish the appropriate relationships with the external auditor for the purpose of receiving information on any matter that may jeopardise the respective independence, for the examination of the

Committee, and any other matter relating to the development process of the financial auditing, and when applicable authorise the services other than those which are prohibited, under the terms provided for in the applicable regulations, in addition to any other notification provided for under Spanish laws regarding financial auditing and technical auditing standards.

In any case, it must receive a statement from the external auditors each year attesting to their independence in relation to the entity or entities directly or indirectly related to it, and detailed and individualised information on the additional services of any kind rendered and the corresponding fees received from these entities by the external auditor or by the persons or entities related to it in accordance with auditing legislation.

n. To issue a report on an annual basis, in advance of the issuance of the audit report, expressing an opinion on whether the independence of the statutory auditor has been maintained. This report will in any case address the reasoned assessment of each and all of the services referred to in the preceding paragraph, considered both individually and as a whole, and the system in place to assure auditor independence and compliance with prevailing audit regulations.

ñ. To examine the circumstances and reasons in the event of resignation of the external auditor.

o. To ensure that the remuneration of the external auditor's work does not compromise quality or independence, in addition to establishing a guideline cap on the fees that the auditor may receive annually for services other than auditing.

p. To oversee reporting by the company of any change of auditor to the CNMV, and to ensure that it is accompanied by a statement with regard to the possible existence of any disagreements with the outgoing auditor and their content.

q. To ensure that the external auditor holds an annual meeting with the whole Board to report on the audit work carried out and on the evolution of accounting matters and the risks to which the company is exposed.

r. To ensure that the Company and the external auditor respect prevailing regulations governing the provision of services other than audit, the limits on the concentration of the auditor's business and the terms of regulations governing auditor independence in general.

s. To perform a final assessment of the auditor's actions and to what extent contributions were made to the quality of the audit and the integrity of the financial information.

#### **Other duties:**

t. To report on related-party transactions that must be approved by the General Meeting or the Board and supervise the internal procedure established by the Company for those whose approval has been delegated by the Board in accordance with the applicable regulations.

u. To report on related-party transactions that must be approved by the General Meeting or the Board and supervise the internal procedure established by the Company for those whose approval has been delegated by the Board in accordance with the applicable regulations.

1. the financial conditions, accounting impact and, as the case may be, exchange equation concerning transactions involving structural and corporate changes that the Company plans to carry out; and
2. the creation or acquisition of investments in special purpose vehicles registered in countries or territories listed as tax havens.

In addition, the Committee is responsible for the following functions in relation to corporate governance and sustainability in environmental and social matters:

- In addition, the Committee is responsible for the following functions in relation to corporate governance and sustainability in environmental and social matters:

- Supervision of the application of the general policy relating to the communication of economic-financial, non-financial and corporate information, and communication with shareholders and investors, voting advisers and other stakeholders. The way in which the Company communicates and relates to small and medium-sized shareholders will also be monitored.
- Regular evaluation of the suitability of the Company's system of corporate governance to ensure that it fulfils its mission of promoting the corporate interest and takes the legitimate interests of the remaining stakeholders into account in an appropriate manner.
- Supervision to ensure that the Company's environmental and social practices comply with the defined strategy and policy.
- Supervision and evaluation of processes affecting different stakeholder groups.

The Audit Committee will only be deemed to be constituted when the majority of its members attend and it will pass its resolutions by a majority vote of those attending, with the Chair having the tie-breaking vote in the event of a tie. The Audit Committee meets as often as it may be convened by the Chair, and in any event it meets at the beginning and end of the audit of the Company's and the Group's individual and consolidated financial statements, and before the issue of the pertinent audit reports. The Committee also meets on the occasion of the preparation of the mandatory financial information which the Company is required to publish. The Company's Auditor and the internal auditor attend meetings of the Audit Committee where expressly invited to explain key issues arising from the audit procedures carried out. The Committee may also convene any Company employee or manager, even ordering their appearance without the presence of another senior executive, and also insist that other persons attend their sessions, though only by invitation of the Chair of the Committee, and only to address those specific points of the agenda which they are called to explain, provided the matter at hand justifies such a measure. In particular, the minutes of the Committee meetings will include the entries and exits of the various guests and, except in specific cases, the appropriate justification of which must be included in the minutes, the guests may not attend the deliberation and voting phases of the Committee.

The Secretary of the Company's Board attends the Committee's meetings, acts as its Secretary, with entitlement to speak but not to vote, and writes up the Minutes of the meeting, which are forwarded to all members of the Board following their approval.

To the extent necessary and with the natural adaptations, the provisions of these Regulations relating to the functioning of the Board will apply to the functioning of the Audit Committee.

In 2023, the Audit Committee met seven times and carried out, among others, the following functions within the scope of its duties:

**a) In relation to financial and non-financial information and the associated mechanisms of internal controls.**

In relation to periodic financial reporting, although Law 5/2021 repealed section 120 of the Securities Market Act and, therefore, the obligation of securities issuers to send the CNMV and publish quarterly financial reports, the Company continues to prepare them, and in this regard, before it was submitted, the Audit Committee supervised the financial information sent quarterly to the CNMV and made public as 'Other Relevant Information'.

This review applies to information contained in the official formats of the CNMV and to the information that the Company reports to the CNMV for the publication of its quarterly results, which serves to verify that the information stated therein is coherent, while analysing the rationality of the criteria applied and the accuracy of its figures.

In particular, in the framework of this function, the Audit Committee, at its meetings on 27 February and 23 March 2023, with the active presence of the external auditors and that of the Corporate General Manager, examined the individual and consolidated financial statements for 2022 and, considering the information provided by the external auditors, issued a favourable report on those financial statements.

In relation to the non-financial information for 2022, in its meeting of 23 March 2023, the Committee examined the non-financial information included in the 2022 Directors Report.

Also, in regards to the individual and consolidated financial statements for the first quarter and the first half of 2023, the Audit Committee in its meetings held on May 12 and July 27, with the presence of the external auditors and the Corporate General Manager, proceeded to examine those statements and reported favourably. In turn, at the meeting of November 13, the Audit Committee examined and issued a favourable opinion on the individual and consolidated financial statements for the period ended on 30 September 2023.

#### **b) In relation to risk management and controls.**

To respond to the need for global and homogeneous risk management, the Company has established a risk management model which includes the identification, assessment, classification, evaluation, processing and monitoring of risks at the Group level and that of the operational Divisions. When these risks have been identified, a risk schedule is prepared which is updated regularly based on the different variables involved and the types of activities in which the Group is involved, assessing them on the basis of the respective impact and the probability of occurrence.

To this end, the effectiveness of the risk control systems are assessed and verified periodically by the internal audits of the production units and by the Corporate Internal Audit of ACS, which contributes to the management of the general risks the Group faces in achieving its objectives. The alerts, recommendations and conclusions generated are reported both to Group Management and to the heads of the business segments and companies assessed.

Based on the above, during the 2023 period, the Audit Committee oversaw the effectiveness of the internal controls of the Company, of the Internal Audit and the risk management systems, identifying and analysing the risks and monitoring the financial and non-financial indicators of the main companies of each of the business areas. In particular, at its meeting of 14 December, with the presence of the Chief Risks Officer, the Audit Committee reported favourably on the updating of the ACS Group's Risk Map and the Risk Map of the parent company, and the Compliance Director informed the Committee of the conclusions of the Risk Report by Compliance areas in all ACS divisions at its meetings of 27 February 2023 (data at 31 December 2022) and 27 July 2023 (data at 30 June 2023).

At its meeting held on 14 March, the Audit Committee also approved the 2022 tax memorandum submitted by the Director of the Company's Tax Department, prepared in accordance with the Code of Good Tax Practices, which refers to the 2022 tax expense and the ACS Group's tax situation.

Likewise, at the meeting held on 14 December 2023, the Manager of the Tax Department presented the 2022 Tax Transparency Report to the Committee, and the Committee reported favourably for its submission to the Board.

#### **c) In relation to the Internal Audit.**

The ACS Group's Internal Corporate Audit functions are carried out by the Company's Internal Audit Department, which coordinates the internal auditing of the Group's various business segments. The Corporate Internal Audit Department is included in the organisational structure as a body reporting hierarchically to the Corporate General Management and functionally to the Audit Committee of ACS's Board.

As a result of its work, the internal audit departments of the Group companies issue a written report which summarizes the work carried out, the situations identified, and the action plan including, where applicable, the timetable and persons responsible for correcting the situations identified, along with opportunities for improvement. These reports are sent to the head of the business area and to Corporate General Management.

Each year, the Corporate Internal Audit Department submits an Activities Report to the Audit Committee which contains a summary of the activities carried out and the reports drawn up during the year, and monitoring the main significant aspects and recommendations contained in the various reports.

In this regard, at its meetings held on 27 February and 23 March 2023, the Corporate Internal Audit Department, within the framework of its duties, presented the Audit Committee the 2022 Internal Audit Activities Report and the 2023 Internal Audit Plan.

In addition, at its meetings of 27 February, 12 May, 27 July and 13 November 2023, the Corporate Internal Audit Department presented the Audit Committee a summary of the reports and the status of internal audits of the various business areas, including the conclusions of all the internal audits.

**d) In relation to the External Auditor.**

Within the framework of its duty to submit proposals to the Board for the selection, appointment, re-election and replacement of the external auditor, at its meeting of 14 March 2023 the Audit Committee resolved to propose the appointment of Deloitte, S.L., as auditor of the Company and of the Group of companies of which ACS is the parent company, for three years as from 1 January 2023.

In compliance with its duties, the Audit Committee holds meetings with the external auditor on a regular basis and, in any case, whenever there is a review of the interim financial statements for the first and second half of the year prior to their approval, and prior to the meeting held by the Board to prepare both the full annual individual financial statements of the parent, and those of the Consolidated Group. In this regard, with the presence of the external auditor at the meetings held on 27 February, 23 March, 12 May, 27 July, 13 November and 14 December, the main features of the accounts were reported on, and at the meeting of 14 December 2023, the auditor reported on the preliminary conclusions of the audit of 2023.

In addition, at the meeting of 14 December, the external auditor presented the list of other audit work carried out during 2023, which was approved by the Committee.

In addition, at the meeting on 12 May, the external auditor presented the audit plan for 2023, and on 13 November, on the scope and focus of the audit work as well as the schedule of work for 2023.

**e) In relation to supervising compliance with the Company's corporate environmental, social and governance policies and rules, and internal codes of conduct.**

In 2023, the Committee supervised the ACS Group's Governance System, in particular, the Global Compliance Management System, reporting on it in section 4.4 ('Regulatory Compliance') of the Consolidated Statement of Non-Financial Information, included in the Consolidated Directors' Report.

Within the framework of this function of supervising compliance with the Company's corporate governance rules and internal codes of conduct, at its meeting of 23 March 2023 the Audit Committee reviewed and unanimously resolved to report favourably on the 2022 Annual Corporate Governance Report.

Furthermore, at its meeting of 14 December 2023, the Committee issued a report in relation to the evaluation and periodic review of the corporate governance system, in which it concluded that in 2023 the Company complied with the principles, obligations and procedures set out in its internal regulations on corporate governance and in its codes of conduct, without any other relevant aspect in their application coming to light, as reported in section 6 ('Good Corporate Governance') of the Consolidated Non-Financial Statement included in the Consolidated Directors Report.

In addition, within the framework of the Audit Committee's duty to supervise and monitor the ACS Group's Compliance System, the Committee approved the Compliance Committee's proposals for the Community Investment, Sponsorship, Patronage and Philanthropic Donations Policy, and the Policy on Compliance with International Sanctions Against Third Parties, and reported favourably at its meeting of 23 March on the Compliance Committee's Annual Monitoring Report for 2022.

Likewise, at the meeting held on 27 July 2023, the Compliance Director presented the half-yearly Compliance Report to the Committee and the proposed resolutions passed by the Compliance Committee for submission to the Board were submitted for approval by the Audit Committee, including (i) updating ACS's Whistleblower Channel Operation Policy; (ii) updating ACS's Procedure for Investigating Complaints



and Breaches; (iii) approving a new Policy on Using Technological Media; as well as (iv) nominating, for ratification by the Board, the Compliance Committee to be in charge of ACS's Internal Whistleblowing System. In addition, the Chief Compliance Officer presented the Committee the analysis of the Divisions' responses to the Global Compliance Report for the first half of 2023 as well as the compliance risk reports submitted by the various compliance advisors consulted in each of the compliance disciplines reported on. Lastly, at its meeting of 14 December 2023, the Committee reported favourably on the Compliance Committee's 2024 proposal.

In relation to sustainability, at its meeting of 27 February 2023, the Head of Sustainability presented the Analysis of risks and opportunities related to climate change; at its meetings of 12 May, 27 July, 13 November and 14 December 2023, the respective Sustainability Monitoring Reports of the ACS Group were presented to the Committee, and at the meeting of 27 July, a new Policy for engagement with and monitoring of sector associations was approved.

Finally, at the proposal of the Data Protection Officer, at its meeting of 27 July, the Audit Committee approved a new Data Protection Policy; and at its meeting on 14 December, the Committee resolved to propose to renew the Annual Statement of Compliance with Criminal and Anti-Corruption Legislation of ACS's Board.

#### **f) In relation to other functions of the Committee.**

Within the framework of its duty to report on Related-Party Transactions to be approved by the General Meeting or the Board and to supervise the internal procedure established by the Company for those whose approval has been delegated by the Board in accordance with the applicable legislation, under Article 25.6(t) of the Board of Directors' Rules, this power is the responsibility of the Audit Committee. In this regard, at its meeting on 27 February, the Audit Committee received information from the Related-Transactions Operating Committee regarding related-party transactions in 2022; at its meeting on 23 March, it approved the Related-Party Transactions Report; and at its meeting on 14 December 2023, the Committee approved the annual report of the Related-Party Transactions Operating Committee.

On the other hand, Article 9 of the Rules of the Board of Directors establishes that the Board must perform an annual evaluation of the functioning of its Committees based on the reports they submit to the Board. To this end at its meeting of 23 March, the Committee reported favourably on the Report on the Committee's activities in 2022.

Lastly, at its meeting of 14 December 2023, the Committee agreed to issue a favourable opinion on the proposed delegation in relation to the second implementation of the flexible dividend authorised by the General Meeting held on 5 May 2023.

Identify the board members appointed to a seat on the audit committee in view of his/her knowledge and expertise in accounting and audit matters, and indicate the date the committee's chairman was appointed to the position.

Name of directors with experience	MS CARMEN FERNÁNDEZ ROZADO, MS CATALINA MIÑARRO BRUGAROLAS AND MR JOSÉ ELADIO SECO DOMÍNGUEZ
Date of chair's appointment to position	31/3/2021



Nominations Committee		
Name	Position	Category
MS CATALINA MIÑARRO BRUGAROLAS	CHAIR	Independent
MR JAVIER ECHENIQUE LANDIRÍBAR	BOARD MEMBER	Proprietary
MS CARMEN FERNÁNDEZ ROZADO	BOARD MEMBER	Independent
MS MARÍA JOSÉ GARCÍA BEATO	BOARD MEMBER	Independent
MR MARIANO HERNÁNDEZ HERREROS	BOARD MEMBER	Proprietary
MS LOURDES MÁIZ CARRO	BOARD MEMBER	Independent

% executive directors	–
% Proprietary Board Members	33.33%
% Independent Board Members	66.67%
% Other External Board Members	–

Explain the functions, including, where appropriate, those in addition to those legally envisaged, attributed to this Committee, and describe the procedures and rules of its organisation and functioning. For each of these functions, indicate its most important actions during the year and how it exercised each of the functions attributed to it in practise, whether by law or under the Company By-Laws or other corporate resolutions.

The Nominations Committee has the following functions:

In relation to the **composition of the Board**:

a. To evaluate the capabilities, expertise and experience required by the Board. To this end, it will define the functions and skills required of the candidates to fill each vacancy and assess the time and dedication necessary for them to perform their duties effectively, ensuring that non-executive Directors have sufficient time available to properly perform their duties.

To this end, the Committee must prepare and periodically update a matrix with the necessary skills of the Board that defines the aptitudes and expertise of the candidates for the Board, especially those of executive and independent directors.

b. Propose to the Board the policy on diversity on the basis of, among others, the criteria of age, disability, training, professional experience and gender, establishing the objectives in this respect.

c. Annually verify the category of board members.

In relation to selecting **Directors and Senior Managers**:

d. To make proposals to the Board for the appointment of independent Board Members by co-option or by approval at the Shareholders' General Meeting, as well as proposals for the re-election or removal of such Board Members by the Shareholders' General Meeting.

e. To make proposals for the appointment of other Board Members by co-option or by approval at the Shareholders' General Meeting, and proposals for the re-election or removal of such Board Members by the Shareholders' General Meeting.

f. To make proposals for the appointment of other Board Members by co-option or by approval at the Shareholders' General Meeting, and proposals for the re-election or removal of such Board Members by the Shareholders' General Meeting.

- g. To regularly verify the criteria regarding the selection of board members.

In relation to Board positions:

- h. To make proposals for appointing the Chair, and the case being, the Deputy Chair of the Board.
- i. To make proposals for appointing the Chair, and the case being, the Deputy Chair of the Board.
- j. To propose, where appropriate, the appointment of the coordinating director.

k. To examine and organize the succession of the Chairman of the Board and of the Chief Executive Officer of the Company and, if applicable, to make proposals to the Board for such succession to occur in an orderly and well-planned fashion, drawing up a succession plan in this regard.

#### Other duties:

l. To lead, in coordination with the Chairman of the Board and with the collaboration, where appropriate, of the Coordinating Director, the annual evaluation of the Board regarding the functioning and composition of the Board, its Committees and the Directors of the Company.

m. To design and organise regular refresher programmes for Directors, in coordination, as necessary, with the Remuneration Committee.

n. To ensure that potential conflicts of interest do not adversely affect the independence of external advice provided to the Committee.

To the extent necessary and with the natural adaptations, the provisions of the Rules of the Board of Directors relating to the functioning of the Board will apply to the functioning of the Nominations Committee.

The Nominations Committee meets when convened by the Chair, at least three times a year. It is deemed duly convened when the majority of its members are present, and it passes resolutions by majority vote, with the Chair having the deciding vote in the event of a tie.

The Secretary of the Board attends the Committee's meetings and acts as its Secretary, with entitlement to speak but not to vote, and writes up the Minutes of the meeting, which are forwarded to all members of the Board following their approval.

In 2023 the Nominations Committee met twice, having taken decisions in the various areas under its competence. The Nominations Committee performed significant activities in 2023, including:

In connection with the **appointment or re-election of Directors who do not have the status of Independent Directors, the Nominations Committee is responsible for reporting on proposals for appointment by co-option or for submission to a decision of the General Meeting**, as well as proposals for the re-election or removal of those Directors by the General Meeting; and, within the framework of this function, at its meeting held on 23 March 2023, the Nominations Committee reported favourably to the Board on the re-election of Mr Florentino Pérez Rodríguez and Mr José Luis del Valle Pérez as Executive Board Members, Mr Pedro José López Jiménez under the category of Other External Board Members, and Ms María Soledad Pérez Rodríguez as Proprietary Board Member.

In relation to the **appointment or re-election of Directors who have the status of Independent Directors**, the Nominations Committee has the function of nominating them for appointment by co-option or for submission to the decision of the General Shareholders' Meeting, and proposing their re-election or removal by the General Shareholders' Meeting.

Within the framework of this proposal function, at its meeting held on 23 March 2023, the Nominations Committee resolved to propose to the Board, for submission to the General Shareholders' Meeting of ACS, the appointment of Ms Lourdes Máiz Carro and Ms Lourdes Fraguas Gadea as Independent Board Members, as well as the re-election of Mr Antonio Botella García, Mr Emilio García Gallego and Ms Catalina Miñarro Brugarolas as Independent Board Members.

Furthermore, and conditional upon the General Meeting approving their appointments as Board Members, the Nominations Committee, within the framework of its function to report on the proposed appointments to the Board, at its meeting of 5 May 2023 resolved to report favourably on the following appointments to the Board of Directors and the Committees:

- Re-election of Mr Florentino Pérez Rodríguez as Chairman of the Board.
- Appointment of Mr Pedro López Jiménez as Deputy-Chairman of the Board.
- Re-election of Mr Emilio García Gallego, Ms Catalina Miñarro Brugarolas and Ms María Soledad Pérez Rodríguez as members of the Company's Audit Committee.
- Re-election of Ms Catalina Miñarro Brugarolas and appointment of Ms Lourdes Maiz Carro as Chairwoman and member of the Nominations Committee, respectively.
- Re-election of Mr Antonio Botella García as Chairman of the Remuneration Committee, and Mr Emilio García Gallego and Ms María Soledad Pérez Rodríguez as members of this Committee and appointment of Ms Lourdes Fraguas Gadea to this Committee.

At its meeting of 23 March 2023, the Nominations Committee also reported favourably on the Company's 2022 Annual Corporate Governance Report and the Committee's 2022 Activities Report.

Remuneration Committee		
Name	Position	Category
MR ANTONIO BOTELLA GARCÍA	CHAIR	Independent
MR EMILIO GARCÍA GALLEGO	BOARD MEMBER	Independent
MS MARÍA SOLEDAD PÉREZ RODRÍGUEZ	BOARD MEMBER	Proprietary
MR JOSÉ ELADIO SECO DOMÍNGUEZ	BOARD MEMBER	Independent
MS LOURDES FRAGUAS GADEAS	BOARD MEMBER	Independent

% executive directors	–
% Proprietary Board Members	20%
% Independent Board Members	80%
% Other External Board Members	–

Explain the functions, including, where appropriate, those in addition to those legally envisaged, attributed to this Committee, and describe the procedures and rules of its organisation and functioning. For each of these functions, indicate its most important actions during the year and how it exercised each of the functions attributed to it in practise, whether by law or under the Company By-Laws or other corporate resolutions.

The Remuneration Committee has the following functions:

a. To report to the Board on policy regarding the remuneration of directors and general managers or other persons discharging senior management functions and reporting directly to the Board, executive committees or chief executive officers, and to verify compliance with the policy established.

b. To report to the Board on the individual determination of the remuneration of each Director as such within the statutory framework and the remuneration policy, and on the individual determination of the remuneration of each Director for the performance of the executive functions attributed within the framework of the remuneration policy and in accordance with the Director's contract.

c. To propose the individual remuneration and other contractual terms of executive Directors, and propose the basic terms of the contracts of Senior Executives in matters of remuneration, in coordination, as necessary, with the Nominations Committee, verifying that they are consistent with the remuneration policies in force.

- d. To make proposals for long-term plans that may be established in accordance with share value, such as stock option plans.
- e. To periodically review the remuneration policy applied to Directors and Senior Executives, including share-based remuneration systems and their application, and to ensure that their individual remuneration is proportionate to what is paid to other Directors and Senior Executives of the Company.
- f. To verify the information on remuneration of Directors and members of the management team contained in the various corporate documents, including the Annual Report on Directors' Remuneration.
- g. To ensure that potential conflicts of interest do not adversely affect the independence of external advice provided to the Committee.

The Remuneration Committee meets when convened by its Chair, at least twice a year. It is deemed duly convened when the majority of its members are present, and it passes resolutions by majority vote, with the Chair having the deciding vote in the event of a tie.

The Secretary to the Board attends the Committee's meetings and acts as its Secretary, with entitlement to speak but not to vote, and writes up the Minutes of the meeting, which are forwarded to all members of the Board following their approval.

Insofar as deemed necessary, and with the natural adaptations, the operation of the Executive Committee will be governed by the Company's By-Laws or the Rules of the Board of Directors regarding the operation of the Board.

In 2023 the Remuneration Committee met twice, having taken decisions in the different areas within its scope. The Nominations Committee performed the following activities in 2023:

At its meeting of 23 March 2023, the Remuneration Committee reported favourably on the 2022 Director Remuneration Report prepared in accordance with section 541 Corporate Enterprises Act and in the format approved by the CNMV for this purpose, and the main points of the report were explained at the meeting.

ACS's Remuneration Committee was also informed by the Secretary on the variable remuneration of the members of the Company's Management Committee and, after analysing this information, the Committee unanimously resolved to report favourably on the variable remuneration corresponding to the members of the Company's Management Committee for approval by the Board.

The Committee was also informed of the new Remuneration Policy, which will be in force from its approval by the General Meeting up to and including 2026. In this regard, the Committee proposed the new Remuneration Policy to the Board, which was subsequently passed at the Annual General Meeting held on 5 May 2023.

Lastly, pursuant to Article 28.11 of the Rules of the Board of Directors, the Committee passed the 2022 Committee Activities Report for subsequent submission to the Board.

C.2.2 Complete the following table with information relating to the number of women Board Members on the Committees of the Board at the closing of the last four financial years:

	Number of women Board members							
	2023		2022		2021		2020	
	Number	%	Number	%	Number	%	Number	%
Executive Committee	1	20%	1	16.67%	1	20%	1	16.67%
Audit Committee	3	60%	3	60%	3	60%	3	60%

Nominations Committee	4	66.67%	3	50%	2	33.33%	2	33.33%
Remuneration Committee	2	40%	1	20%	1	20%	1	20%

C.2.3 Indicate, if applicable, if there are Board Committee Regulations, where they can be consulted and any amendments made during the year. Also indicate whether any annual report on the activities of each committee has been prepared voluntarily.

The Board Committees are governed by Articles 19 to 23 of the Company By-Laws and Articles 23 to 28 of the Rules of the Board of Directors. Both documents are available on the corporate website, [www.grupoacs.com/gobierno-corporativo](http://www.grupoacs.com/gobierno-corporativo).

The Rules of the Board of Directors were not amended by the Board in 2023.

In 2023 the annual reports on the activities of the Audit, Nominations and Remuneration Committees were prepared voluntarily, which were made available to shareholders on the ACS website when the Ordinary General Shareholders' Meeting was called.

## D. RELATED-PARTY TRANSACTIONS AND INTRAGROUP TRANSACTIONS

*D.1 Explain, where applicable, the procedure and bodies competent to approve transactions with connected parties and intra-group transactions, specifying the institution's general internal criteria and rules governing the abstention obligations of the directors or shareholders affected and specifying the internal reporting and periodic control procedures established by the company in relation to those related-party transactions whose approval has been delegated by the Board.*

Under Article 18 of the Rules of the Board of Directors, the Board is responsible for hearing and approving, following a report from the Audit Committee, any transactions that the Company or its subsidiaries carry out with directors, with shareholders holding 10% or more of the voting rights or represented on the Company's Board or with other persons considered to be connected parties in accordance with the Law ('Related-Party Transactions'), unless they must be approved by the General Meeting, all without prejudice to the exceptions established by law.

The General Meeting will approve Related-Party Transactions whose amount or value is equal to or greater than ten percent of the total assets in accordance with the latest balance sheet approved by the Company. The Board will approve the other Related-Party Transactions, and it may not delegate this competence except for Related-Party Transactions between Group companies that are carried out in the field of ordinary management and on an arm's length basis, and Related-Party Transactions that are arranged under contracts with standard terms that are applied en masse to a large number of customers, are carried out at prices or rates established in general by the person acting as supplier of the goods or service in question, and the amount of which does not exceed 0.5% of the Company's net turnover.

The Audit Committee must issue a report before approval by the General Meeting or by the Board of a Related-Party Transaction. In this report, the Committee must assess whether the transaction is fair and reasonable from the Company's point of view and, where appropriate, from that of shareholders other than the related party, and report on the assumptions on which the assessment is based and the methods used. In the case of transactions approved by delegation, the issuance of a report prior to their approval by the Audit Committee will not be mandatory, although the Board will establish an internal reporting and periodic control procedure, in which the Audit Committee will be involved and that will verify the fairness and transparency of the transactions and, where appropriate, compliance with the applicable legal requirements.

Under sections 529 vicies to 529 ter vicies Corporate Enterprises Act and in accordance with article 18 of ACS's Rules of the Board of Directors, the Company's Board approved, at its meeting held on 15 December 2022, the 'Protocol of Related-Party Transactions of ACS, Actividades de Construcción y Servicios, S. A.' (the '**Protocol**'), the purpose of which is to establish an internal control procedure for identifying Related-Party Transactions and to establish the system for approving and, where appropriate, disclosing them, to ensure full compliance with the legal requirements regarding related-party transactions.

Under the Protocol, identifying and assessing Related-Party Transactions before their approval is the responsibility of the Transactions Committee provided for in the Protocol, whose function is essentially to provide support to the management bodies in applying the rules on Related-Party Transactions. Specifically, the Protocol envisages a procedure comprising the following phases.

- a. Proposal of the Related Transaction. The Business Unit or Area of the Company to which, by reason of the subject matter, a Related-Party Transaction is proposed, must submit the proposed Related-Party Transaction to the Transactions Committee for it to analyse as soon as possible, accompanied by the corresponding documentary evidence.
- b. Analysis of the Related-Party Transaction by the Transactions Committee. Upon receipt of the proposal, the Transactions Committee will analyse it, gathering the information and, where appropriate, the reports that may be necessary to adopt, as soon as possible, one of the following decisions: (i) whether or not it is a Related-Party Transaction; and, if so (ii) whether it needs to be approved by the General Meeting or the Board, in which case it will submit the proposal together with the documentation and its report to the Audit Committee so it can issue the mandatory report before approving it; or (iii) if its approval has been delegated by the Board, in which case it will submit it to the competent body or person for approval according to the delegation resolution adopted for this purpose by the Board.
- c. Approval of the Related-Party Transaction by the competent body.

- d. Disclosure of the approval of the Related-Party Transaction if by law, the approval of a Related-Party Transaction must be publicly disclosed and the internal bodies of ACS competent for preparing the half-yearly financial report, the annual corporate governance report and the annual accounts must be informed.

On 15 December 2022, the Board, following a report from the Audit Committee, unanimously resolved to delegate to the Company's Chief Executive Officer to approve the Related-Party Transactions that meet the requirements that, by law and under the Rules of the Board of Directors, may be approved by delegation in accordance with the procedure established in the Protocol.

In this respect, section 5.3 of the Protocol establishes an internal reporting and periodic control procedure in relation to the approval of Related-Party Transactions by delegation, which provides that the Secretary of the Transactions Committee must submit to the Audit Committee a half-yearly report summarising the Related-Party Transactions whose approval has been delegated by the Board and that were approved during the period corresponding to the half-yearly financial reporting of ACS.

In particular, this report must include:

- i. the number of Related-Party Transactions ordered by type and related party;
- ii. the following information with respect to each Related-Party Transaction: nature of the Transaction, amount or consideration of the Transaction and, if applicable, market price ranges for similar transactions, the related party to which it refers and the other terms of the Transaction; and
- iii. compliance, as the case may be, with the requirements established for approval by delegation of the Related-Party Transaction.

It is noted for the record that the Operating Committee reviewed the Protocol in 2023, and found that it has been duly updated in accordance with the legislation in force and that no circumstances have arisen that would make amending it advisable.

***D.2 Detail individually any significant transactions, in terms of their amount or relevant subject matter, between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or represented on the Company's Board, indicating which body is competent to approve them and whether any affected shareholder or director abstained. If the Board has competence, indicate whether the proposed resolution has been approved by the Board without being voted against by a majority of the independent directors:***

Name or Company name of the shareholder or any of its subsidiary companies	% Ownership interest	Name or Company name of the company or subsidiary company	Nature of the relationship	Type of transaction and other information necessary for its assessment	Amount (thousands of euros)	Body that approved it	Identification of the significant shareholder or director that had abstained	the general meeting, if applicable, was approved by the board without a nay vote by the majority of independent directors

Comments

In 2023, no Related-Party Transactions were carried out with shareholders holding 10% or more of the voting rights or represented on the Company's Board that required approval in accordance with the rules established by Law and the Company's internal regulations on related-party transactions.



**D.3 Detail individually any significant or relevant transactions carried out by the company or its subsidiaries with the Company's directors or executives, including those transactions carried out with entities that the director or manager controls or jointly controls, and indicating the competent body for approval and whether any affected shareholders or directors abstained. If the Board has competence, indicate whether the proposed resolution has been approved by the Board without being voted against by a majority of the independent directors:**

Name or Company name of the directors or executives or their controlled companies or under joint control	Name or Company name of the company or subsidiary company	Relationship	Nature of the transaction and other information necessary for its assessment	Amount (thousands of euros)	Body that approved it	Identification of the shareholder or director that abstained	The proposal to the general meeting, if applicable, was approved by the board without a nay vote by the majority of independent directors
Mr Florentino Pérez Rodríguez	Comunidades Gestionadas, S.A.	Executive Chairman	Acquisition of two homes from a subsidiary of ACS by a close relative of a member of the Board, the amount of which is less than 10% of the total asset headings on the latest annual balance sheet approved by the Company and carried out on standardised terms, at prices generally established for any acquirer and the amount of which does not exceed 0.5% of the Company's net turnover	1,336.00	Chief Executive Officer		
Comments							

**D.4 Individual report on significant intra-group transactions, in terms of their amount or relevant subject matter, carried out by the company with its parent company or with other entities belonging to the parent's group, including the subsidiaries themselves of the listed company, unless no other related party of the listed company has interest in those subsidiaries or they are fully owned, directly or indirectly, by the listed company. In any case, report any intragroup transaction carried out with entities established in countries or territories considered to be tax havens:**

Name of the group company	Brief description of the transaction and other necessary information to assess it	Amount (thousands of euros)

## Comments

In 2023, the Company did not carry out any Related-Party Transactions with companies in its Group that are not wholly owned or in which another party related to the Company has a stake.

***D.5 Detail individually any significant or relevant transactions carried out by the company or its subsidiaries with other connected parties under the international accounting standards adopted by the EU that have not been reported under the above headings.***

Name of the related party	Brief description of the transaction and other necessary information to assess it	Amount (thousands of euros)

## Comments

In 2023, the Company did not enter into any related-party transactions with other related parties in accordance with International Accounting Standards that require approval under the regime provided by law and the Company's corporate regulations on related-party transactions.

***D.6 Detail the mechanisms established to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, executives or significant shareholders or other connected parties.***

Article 15 of the Rules of the Board of Directors stipulates that the duty to prevent conflicts of interest obliges Board Members to refrain from the following:

- i. Transactions with the Company, except for those that are exempt in accordance with Article 16 of the Regulations or approved in accordance with the Law and Article 18 of the Regulations in relation to Related-Party Transactions.
- ii. Using the Company's name or invoking the condition of Board Member to improperly to influence private transactions.
- iii. Using corporate assets, including confidential information belonging to the Company, for private purposes.
- iv. Taking advantage of the Company's business opportunities.
- v. Receiving benefits or compensation from third parties outside the Company and its group associated with the discharge of the office of director, unless they consist merely of items.
- vi. Undertaking any activities either personally or on behalf of any third party that might result in effective competition, whether actual or potential, with the Company, which might otherwise give rise to any permanent conflict of interests with the Company.

This obligation to refrain applies where the beneficiary of the prohibited actions and activities is a related party of a Board Member. In this regard, the following persons will be deemed to be related to the Board Members:

- i. A Board Member's spouse or persons with a like affective relationship.

- ii. The ancestors, descendants and siblings of any Board Member and/or of his/her spouse.
- iii. The spouses of a Board Member's ancestors, descendants or siblings.
- iv. The Companies or entities in which the Director directly or indirectly holds, including through an interposed person, a shareholding that confers a significant influence on them or on their parent company, a position on the management body or in senior management. For these purposes, any shareholdings equal to or greater than ten percent of the share capital or voting rights in relation to which it has been possible to obtain, in fact or in law, a proxy in the Company's management body is assumed to have significant influence.
- v. The shareholders represented by the Director on the Board.

In any event, Board Members must notify the Board of any situation of conflict of interests, whether direct or indirect, which they or their related parties might have with the company.

Any situations of conflict affecting Board Members will be disclosed in the Annual Report in accordance with prevailing legislation.

***D.7 Indicate whether the company is controlled by another company within the meaning of section 42 Commercial Code, whether listed or not, and whether it has, directly or through its subsidiaries, business relationships with that company or any of its subsidiaries (other than those of the listed company) or carries on activities related to those of any of them.***

Yes	No
	X

## E. RISK CONTROL AND MANAGEMENT SYSTEMS

### *E.1 Explain the scope of the Company's financial and non-financial risk control and management systems, including those related to taxes.*

The ACS Group considers Risk Control and Management to be one of the fundamental pillars of its sustainable value creation strategy. Therefore, reinforcing this work is one of the Group's strategic lines, which is why in 2023 a new Chief Risk Officer was appointed who, in line with the Organisation's corporate governance model, reports to both the Chief Executive Officer and the Audit Committee. The Risk Officer is responsible for, among other duties, promoting the dissemination of the ACS Group's risk management culture within all the subsidiaries that comprise it, as well as supervising its coherent and structured application, in accordance with the Group's Risk Control and Management Policy, all in coordination with the specific bodies responsible for this supervision. In accordance with the basic principles set out in the Risk Management and Control Policy, the role of the Chief Risk Officer is functionally and hierarchically independent from the business lines. (A forthcoming update of the General Risk Management and Control Policy will include the figure of the Chief Risk Officer, as well as the definition of their competencies, duties and responsibilities).

The General Risk Control and Management Policy, approved on 29 July 2016 and updated by the Board of the Group's parent company, on 17 December 2020 to comply with Recommendation 45 of the Good Governance Code of Listed Companies of June 2020, is the regulatory framework that the Group provides for the integrated control and management of the risks to which it is exposed, and is the document that defines the objective and scope of the ACS Group's Risk Management and Control System.

On the other hand, it is important to bear in mind that the ACS Group's geographic and business diversification, together with its highly decentralised operations and the autonomous management that characterises the ACS Group companies, makes it necessary for it to have a dual system for risk control and supervision. In this corporate framework for Risk Control and Management, each business unit or company may develop their own, consistent with the Group's guidelines. This dual system therefore implies that each level of management is ultimately responsible for complying with the internal rules and procedures applicable to them, both in the parent company and in each of its investees.

#### **Scope**

The General Risk Management and Control Policy is applicable in all ACS Group companies over which the parent company has effective control, within the limits established in the regulations applicable to the regulated activities carried out by the Group in the different countries in which it is present. Listed investees and their respective subsidiaries are, as a result of their special situation, subject to the regulations of the regulatory bodies applicable to them and, therefore, have their own risk policies approved by their competent bodies. In any case, these risk policies must comply with the principles set out in the ACS General Risk Management and Control Policy.

The ACS Group includes the company Hochtief, A.G., which is listed on the German stock exchange and therefore has its own risk management and internal control system in place in accordance with the regulations governing it. This company and the subgroup led by it also has its own Audit Committee with functions similar to those of ACS. Therefore, the ACS Group's General Risk Management and Control Policy does not directly affect those activities carried out by Hochtief, to the extent that it is already covered by its own risk control systems.

The General Risk Control and Management Policy affects, as a regulatory framework, all areas of the ACS Group. The Comprehensive Risk Control and Management System covers all types of risk that may threaten the attainment of the objectives of the Parent and of the ACS Group companies.

Through this Policy, the Parent and the ACS Group companies agree to develop all their capacities so that risks of all kinds are adequately identified, measured, prioritised, managed and controlled.

## Basic principles

The ACS Group is subject to various risks inherent to the respective countries, activities and markets in which it operates, and to the activities it carries out, which could impede or even prevent it from achieving its goals and executing its strategies successfully.

Aware of how important this issue is, the Organisation's Board is committed to developing all of its skills so that the relevant corporate risks of all of the Group's activities and businesses are adequately identified, measured, prioritised, managed and controlled, and to define the basic mechanisms and principles to properly control and manage them through the General Risk Control and Management Policy with a risk level that allows for:

- a. integration of the approach to risk into the management of the Parent through the definition of the risk strategy and risk level;
- b. achievement of the strategic objectives established by the group with controlled volatility;
- c. preservation of strict separation of functions between the areas that manage risk and the areas responsible for risk analysis, control and supervision, providing an adequate level of independence;
- d. transparently providing information to the regulators and principal stakeholders on the risks of the Group and its operating units, and on the operation of the systems developed to control the information;
- e. providing the highest possible level of guarantees to shareholders;
- f. protecting the results and the reputation of the Group;
- g. defending the interests of shareholders, customers and other stakeholder groups in the progress of the Parent Company and society in general;
- h. ensuring business stability and financial strength in a sustained manner over time;
- i. ensuring the use of appropriate instruments to mitigate the impact of risks in accordance with the requirements of applicable legislation; and
- j. compliance with the applicable legal and regulatory requirements, and the values and standards of conduct reflected in the ACS Code of Conduct and the principles and best practices of the Group, aimed at the principle of 'zero tolerance' towards unlawful acts and fraud.

Article 5.1 of the Risk Control and Management Policy identifies all the risks included in the financial and non-financial analysis methodology, and Article 6 establishes that the structure of the Group's different risk control and management policies is based on the processing and communication of financial, non-financial and corporate economic information, covering, among other issues, those relating to regulatory and tax compliance, social issues, human rights, the environment, sustainability, diversity, anti-corruption, market abuse, competition, cybersecurity and corporate governance.

The Board, the Chief Risks Officer and those responsible for the different operational areas or divisions of the Group will take the necessary measures to disseminate, train and comply with the above Policy in the ACS Group, allocating the necessary resources to do so.

## Update to the ACS Group's Risk Map

At its meeting held on 14 December 2023, the Board approved an update of the ACS Group's General Risk Map in compliance with Recommendation 45 of the Good Governance Code of listed companies. The Methodology used for drawing up and successively updating the Risk Map is described in detail in Section E3 below.

## Climate Change Risks and Opportunities

In addition to the review of the Risk Map in 2023, a detailed analysis was performed of the risks and opportunities arising from climate change without involving changes in the classification of other risks, for which the ACS Group carries out continuous monitoring. The analysis, the results of which are summarised in section E.3 below, was carried out in 2023 by an Internal Working Group, set up for this purpose and coordinated by the Chief Risk Officer, with the aim of contributing to improving the Group's Integrated Risk Control and Management System, identifying business or cost reduction opportunities, and finally, complying with and supporting the external disclosure obligations in this area.

### Duties of the Audit Committee

For its part, the Rules of the Board of Directors, amended on 16 December 2021 to adapt them to the Spanish Listed Company Shareholder Long-Term Engagement Act 5/2021 of 12 April [Ley de fomento de la implicación a largo plazo de los accionistas en las sociedades cotizadas], provides in Article 25.6 (h), dealing with the duties of the Audit Committee in relation to the supervision of risk management and control, that this Committee will be responsible for supervising and assessing the effectiveness of the financial and non-financial risk management systems relating to the Company and the Group, including operational, technological, legal, social, environmental, political, reputational and corruption-related risks. Accordingly, Article 26 of the Rules of the Board of Directors establishes, as regards the powers of this Committee in matters of corporate governance and sustainability in environmental and social matters, that the Audit Committee will supervise compliance with the Company's environmental, social and corporate governance policies and rules, and with internal codes of conduct, with the following functions attributed to it:

- a. Supervision of compliance with corporate governance rules and the Company's internal codes of conduct, also ensuring that the corporate culture is aligned with its purpose and values.
- b. Supervision of the application of the general policy relating to the communication of economic-financial, non-financial and corporate information, and communication with shareholders and investors, voting advisers and other stakeholders. The way in which the Company communicates and relates to small and medium-sized shareholders will also be monitored.
- c. Regular evaluation of the suitability of the Company's system of corporate governance to ensure that it fulfils its mission of promoting the corporate interest and takes the legitimate interests of the remaining stakeholders into account in an appropriate manner
- d. Supervision to ensure that the Company's environmental and social practices comply with the defined strategy and policy.
- e. Supervision and evaluation of processes affecting different stakeholder groups.

### ***E.2 Identify the Company bodies responsible for preparing and executing the financial and non-financial Risk Control and Management System, including tax risk management.***

The General Risk Control and Management Policy defines the position of Risk Control and Management within the Corporate Governance structure and includes the definition of competencies, roles and responsibilities of the different members of the Organisation involved in risk control and management.

The Board of the Group's parent company is responsible for establishing the General Risk Management and Control Policy as a framework document that makes it possible to identify the basic principles and regulations for the control and management of risks of the parent company and the other investees with autonomous management and to maintain adequate internal control systems, and to monitor these systems on a regular basis.

All executives and teams responsible for ACS Group operations and support processes are responsible for implementing this Policy in their management field, and for coordinating their risk response actions with those other departments and businesses affected, where applicable.

The Board is assisted by the Audit Committee which supervises and reports on the adequacy of the system for the assessment and internal control of relevant risks in coordination with the Chief Risks Officer, Internal Audit and Management of the different divisions of the Group. Within this framework, the functions and responsibilities of the areas involved in risk management are established as follows:

## Board

The Board of ACS is the body responsible for approving the Group's General Risk Management and Control Policy and establishing the acceptable level of risk at any given time. These different areas also include the management of financial, non-financial and tax risks.

In addition, it must supervise the Integrated Risk Management and Control System, ensuring that the main risks are identified, managed and kept at the planned levels.

## Audit Committee

The Audit Committee is responsible for supporting the Board in relation to the supervision and periodic assessment of the Group's integrated system of risk, financial and non-financial control and management, and specifically:

- a. To supervise and evaluate the effectiveness of the financial and non-financial risk management systems related to the Company and its Group, including operational, technological, legal, social, environmental, political and reputational risks and those related to corruption.
- b. To re-assess, at least annually, the list of the most significant financial and non-financial risks and assess the respective level of risk tolerance, while proposing, where appropriate, the corresponding adjustment to the Board. For these purposes, the Committee will hold, at least annually, a meeting with the heads of the business units in which they will explain the business trends and associated risks.
- c. Directly to oversee the performance of the internal control and risk management functions carried out by any unit or department of the Company.

In addition, the Audit Committee is responsible for ensuring the independence of the unit that assumes the internal audit function.

## Management Committee

The ACS Group's Management Committee defines the basic guidelines and the framework for action, and establishes the management, monitoring and reporting mechanisms to ensure that risks are kept within the levels approved by ACS's Board of Directors.

The Management Committee is also the highest level of operational decision-making for the implementation of corrective measures for each of the risks.

## Compliance Committee

The Compliance Committee, which reports to the Audit Committee of the Board of Directors, develops, implements and supervises the functioning and operational effectiveness of the ACS Group's Global Compliance Management System, covering the areas of criminal and anti-bribery compliance, market abuse, due diligence in Human Rights, due diligence in the environment, Competition, privacy and data protection, taxation, cybersecurity, and all issues included in the consolidated non-financial statement of the ACS Group and those relating to compliance with the Company's internal codes of conduct, supervision of the application of the general policy relating to the communication of economic-financial, non-financial and corporate information and the assessment and periodic review of the environmental and social policy.

The Corporate Governance Policy approved by the Board on 16 December 2021 thus stipulates that the Company has set up a Global Compliance Management System, the purpose of which is to implement a model that, while respecting the highly decentralised management structure of the Group, allows the Audit



Committee of the Board of the Spanish listed parent company, supervise and assess the effectiveness of the non-financial risk management systems relating to the Company and the Group, including operational, technological, legal, social, environmental, political, reputational and corruption-related risks, and compliance with the parent company's duties of proper care with respect to the subsidiaries through a system of dual risk control in the different areas of Compliance. A continuous process of interacting between organisational elements is thus defined to establish Policies, Objectives and Processes so that it can efficiently and sustainably comply with its obligations in the long term, generating evidence of the organisation's commitment to compliance and taking into account the needs and expectations of all its stakeholders.

Through the general compliance management system, the ACS Group gives the members of the organisation, its business partners and stakeholders assurance of transparent management of financial, non-financial and corporate information, which makes it possible to generate shared value in the Group and reinforce stable and trusting relationships with all stakeholders. The Group also ensures the promotion and control of ethical and integrity issues, by means of measures to prevent, detect and eradicate corruption and other unlawful conduct.

The Compliance Committee is responsible for analysing breaches and proposing corrective actions in the Parent. As indicated in section E.1 above, a Chief Risks Officer was appointed in ACS in 2023 who has joined the Compliance Committee, thus reinforcing its composition. Each division within the ACS Group has its own Compliance Committee and implements its own Compliance management model, which is supervised through an average control monitoring model by the Compliance Committee of the parent company, to respect the high level of decentralisation and autonomy in management by the subsidiaries. To promote the adoption of their own compliance management model by subsidiaries, which can be understood as robust, ACS Group's parent implements a double control system:

- a. Implementation and development of a homogeneous standards system for subsidiaries that aims to ensure that all Group subsidiaries have a certified compliance management system or, at least, one that can be understood as certifiable. This system will make it possible to detect those subsidiaries that have deficiencies and that do not reach the minimum level of homogeneity of the Group. This will include a risk control system represented by the subsidiaries as a whole and that, in turn, will make it possible to detect where there is greater vulnerability to indirect risks from subsidiaries.
- b. Half-yearly monitoring to detect cases where breaches or infringements have been reported or compliance risks have materialised or been realised, while also monitoring whether the subsidiary has adequately reacted in that specific case by detecting systemic deficiencies, taking corrective actions and the steps taken to resolve them (internal investigations and their results, modification of rules, improvement of controls, etc.).

In accordance with the ACS Group's highly decentralised management model, the Group's parent company promotes the adoption of its own specific compliance management model by each of the subsidiaries, although aligned with common regulatory standards and Policies. In this sense, the use of a tool such as the Global Compliance Report among the Group's companies to assess the risks that each of their independent compliance management systems represent for the parent company should be understood. The parent company thus has, at least, a mechanism for reporting and understanding the risks to which it is exposed so that its directors can comply with their general duty of oversight and proper care.

With this information, it can operate with the indirect risks arising from the subsidiaries, implementing and developing a second line of internal control, in addition to the specific systems of the subsidiaries.

This allows medium-intensity control without daily involvement in the compliance management of the subsidiary that is based on a system of reports from the subsidiary to the Parent. The homogeneous reporting system at group level provides the basis for the existence of due control by the parent company over the subsidiaries, promoting the adoption of their own compliance management systems by the subsidiaries, without prejudice to the supervision and control function that corresponds to the parent company.

For these purposes, a tool is available, designed in 2019, which has been subject to constant correction and improvement, called the Global Compliance Report which, in its latest version of December 2023, comprises the following sections:

- i. Criminal and anti-bribery compliance obligations.
- ii. Compliance personnel and responsibilities
- iii. Business partners. External care and risk assessment
- iv. Compliance training and reporting
- v. Controls, targets and resources
- vi. Audit and monitoring
- vii. Whistleblower channel
- viii. Internal investigation procedure
- ix. Disciplinary regime
- x. Breaches, analyses and corrective actions
- xi. Competition
- xii. Cybersecurity
- xiii. Environmental due diligence processes
- xiv. Human Rights due diligence processes
- xv. Tax compliance
- xvi. Corporate Governance

The Global Compliance Report, which is sent by the Group's subsidiaries every six months, is supplemented by the ACS Group's risk and criminal and anti-bribery matrix, which includes both the risks to which the individual listed company is exposed due to its own activity and the risk to which it is indirectly exposed through the criminal risks of the activities of its subsidiaries. In September 2022, the new matrix of risks and controls in the criminal and anti-bribery area of the Group's parent company was added to this matrix of risks and controls in the area of tax compliance. In addition, the new IT and Cybersecurity risk and controls matrix was approved in October 2023.

The Global Compliance Report also allows for an annual risk score card in all reported compliance areas.

#### Corporate Internal Audit

The Corporate Internal Audit Department supports the Board, through the Audit Committee, in complying with its responsibilities in relation to the supervision and assessment of the Group's Integral Risk Management and Control System, and it is responsible for communicating any alerts, recommendations and conclusions issued by Group Management to the Audit Committee, and to those responsible for the business areas and companies assessed.

#### Corporate General Management

Corporate General Management prepares the ACS Group's framework for action to standardise the identification, classification, evaluation, management and tracking of the risks of the different divisions and businesses, and specifically:

- It assumes the management of risks referred to as Corporate risks.
- It ensures the proper functioning of internal control and risk management system and, in particular, it ensures that they adequately identify, manage and quantify all significant risks to which the Group may be exposed.
- It participates actively in the preparation of the risk strategy and relevant decisions with regard to risk management.
- It ensures that the integrated risk management and control system adequately mitigates risks within the framework of the General Risk Control and Management Policy.

#### The Chief Risk Officer

The next update of the General Risk Control and Management Policy will include the definition of the figure and duties of the Chief Risk Officer. These duties will include helping the Board and the Audit Committee perform their duties, especially in:

- Defining risk management and control strategies and policies and procedures,
- Coordinating the various risk assessment and control functions within the Group, as well as putting risk mitigation measures in place (the Chief Risk Officer has also been a member of the Compliance Committee since 2023),

- Promoting the Group's risk appetite and risk tolerance culture,
- Drawing up and updating the Risk Map,
- Coordinating and supervising risk management in the contracting phase, as well as contract development in the various operational areas; and
- In general, supporting the development and implementation of the General Risk Management and Control Policy.

The role of the Chief Risk Officer is functionally and hierarchically independent from the business lines.

### ACS Group companies and their risk support functions

As a result of the diversity of its business and its high level of operational decentralisation, the ACS Group assigns the heads of each division and companies to develop the appropriate risk management and control systems and the internal regulations necessary to ensure their implementation and functioning. Therefore:

- They develop internal regulations in accordance with the specific nature of their activity and implement appropriate internal controls.
- They manage the information systems that enable the preparation of the risk map, supervision and assessment of the risk exposures of each business area.
- They prepare management reports for decision-making by monitoring the appropriate indicators.

***E.3 Indicate the main financial and non-financial risks, including tax risks and to the extent they are significant, those arising from corruption (within the meaning of Royal Decree Law 18/2017), which may affect the achievement of business objectives.***

### Comprehensive Risk Control and Management System

The General Risk Control and Management Policy and its basic principles are implemented through a Comprehensive Risk Control and Management System supported by all the components of the governance model described above and supported by proper definition and distribution of functions and responsibilities to various levels, and through procedures, methodologies and support tools in line with the different stages and activities of the system.

#### Risk identification

The ACS Group's risk methodology is set out in the Group's Risk Map, which is updated annually and includes identifying the significant risks that the Group may be exposed to.

At least on an annual basis, the risk taxonomy is updated to confirm those that remain significant, eliminate those that no longer apply, and include any new emerging risks. This update is carried out following the categories of financial and non-financial risks faced by the Group (including contingent liabilities and other off-balance sheet risks), taking into account the following taxonomy:

- **Strategic:** Risks associated with key long-term objectives of the Business and the ACS Group; they may arise from the Group's own actions, from other key market participants (customers, competitors, regulators, investors or others), from changes in the competitive setting or from the business model itself.
- **Operational:** Risks associated with the activities carried out by the Group, including all risks related to the processes and operations carried out to perform contracts, including the contracting process, as well as managing how they are carried out and completed
- **Technological:** Risks linked to the technologies and systems used by the Business and the ACS Group, which could render it unable to efficiently and effectively support present and future needs or possible cyber-attacks.
- **Legal, criminal and anti-bribery:** Risks arising from non-compliance or lack of oversight and monitoring of regulations applicable to the Group in the various legal systems of the countries in which it operates, or relating to non-compliance with criminal and anti-bribery regulations, which could give rise to liability for the ACS Group and lead to legal action, penalties, fines or the partial or total stoppage of its activities.
- **Social:** Risks linked to the social rights of employees and individuals related to the Business or the ACS Group, and the socio-economic setting in which it operates.
- **Environmental:** Risks linked to potential environmental impacts and the circular economy, including climate change and energy efficiency, which could cause harm to society and to the Group's

environment, loss of competitiveness, compensation and reparations or that could halt works, services or projects in progress.

- **Reputational:** Risks linked to the deterioration of the image and perception of the ACS Group, which may result from conduct by the companies that falls below the expectations created among its stakeholders, by the actions of third parties related to the Group or in other areas over which the Group has no control.
- **Financial:** Risks related to the economic and financial management of the Business and the ACS Group, the variability of the financial parameters to which it is exposed and the financial reporting processes.

The risk identification and review are carried out from a double perspective:

**Top-down approach:** Corporate Management identifies risks with a vision of the Group as a whole.

**Bottom-up approach:** The business managers identify their own risks that affect their respective units.

Therefore, the risk control and management systems adopt the Group's decentralised nature, enabling each business unit to exercise its own risk control and evaluation policies under certain basic principles. These basic principles are the following:

- Definition of the risk appetite and levels and the maximum limits of risk that may be assumed by each business in accordance with its characteristics and expected profitability, and that are considered from the outset of the operations.
- Establishment of procedures to identify, approve, analyse, control and report the different risks for each business area.
- Coordination and communication to ensure that the risk policies and procedures of each business area are consistent with the Group's overall risk policy.

Corporate General Management and the Chief Risks Officer are responsible for adding all the risks identified, and those identified by those responsible for the businesses to standardise the identification, classification, assessment, management and monitoring of the risks of all the divisions.

### Risk assessment criteria

The method used to determine the assessment of the risks identified is categorised into different groups depending on whether their impact and probability is high, average or low:

- **Impact**, this is the economic damage in transactions and reputational damage to the Group's activity, taking into account the control measures implemented in the Group: high, medium or low.
- **Probability** that the risk may materialises in a certain event, taking into account the control measures implemented in the Group: high, average or low.

Once the risks have been identified, the impact and probability assessed taking into account the controls implemented and the Group's management level, and the indicators for measuring them have been defined, the Group's Risk Map is drawn up.

This Map is made up of nine blocks in which the risks are classified based on the following nine groups:

Group	Impact	Probability
1	High	High
2	High	Medium
3	High	Low
4	Medium	High
5	Medium	Medium
6	Medium	Low
7	Low	High
8	Low	Medium
9	Low	Low

The map was updated in 2023 and approved by ACS's Board at its meeting of 14 December 2023. The update has been carried out in cooperation with all Group companies. For risks considered key risks, these include:

- Definition and explanation of the risk. Definition of the scope and classification of the impact and probability.
- Identification of Risk Events: Definition of the specific circumstances that each risk materialising would entail.
- Risk response, identification of the most relevant control and management procedures. Assigning control activities and other initiatives aimed at mitigating each of the events and risks identified, as well as those responsible for carrying them out and reporting.
- Assigning the areas of each Risk/Event/Control Activity: assignment of the areas that each of the risks, events and control procedures apply to.

To assess the risks, the differentiation between the inherent risks of residual risks was taken into account, taking into consideration the control and management mechanisms currently in place in the Group to address risks. The assessment is made, in agreement with the representatives of the Group companies, in qualitative terms of probability and impact.

Lastly, it should be noted that in the Risks Map, in accordance with the risk management methodology, the rating of the various risks based on their impact and probability considers the priority aspects from a Group Management perspective (and, therefore, this is not to be understood as a list of weaknesses or threats that are not adequately covered).

In relation to environmental risks, of special note is the ACS Group's work on analysing and measuring the risk of climate change. In this regard, the internal working group (IWG) was expanded in 2023 with increased participation from different divisions, subsidiaries and departments of the Group relevant to risk management, opportunity identification and ESG, as well as experts in assessing the climate risks in the ACS Group's activities and their financial implications.

Further steps have been taken towards fully integrating climate risks into the Integrated Risk Management and Control System and corporate governance by working towards greater harmonisation of the analysis of climate-related risks and opportunities across the Group. This way progress was made toward putting the climate risk assessment into context within the Group's strategic planning and investment time horizons, as established by ESRS E1, in anticipation of the 2024 climate reporting obligations.

To reach these objectives, a risk assessment methodology commensurate with the potential materiality of the risks and with a sound scientific-technical basis was constructed that adequately explains its scope, horizons, calculation methods, working assumptions, parameters and indicators and possible limitations, as required by the European Financial Reporting Advisory Group (EFRAG), which gives the ACS Group the edge in the sector. The methodology is based on the general IPCC framework and international standards (ISO14090 and ISO14091), as recommended in Commission Opinion C/12023/1267.

The methodology includes important advances in increasing spatial granularity, allowing analysis at the asset or project level, for any Group activity and in any geographical location. Assessments can be carried out for different time horizons and GHG emission scenarios. It is also applicable to the supply chain. This makes it possible to quantify economic and financial impacts and to analyse compliance with the substantial contribution criteria or DNSH criterion of adaptation at the project level. A physical risk analysis was carried out, moving from a semi-quantitative assessment by activity (Construction, Services and Concessions) with climatic information by geographical area (year 2022), to a quantitative analysis, by project type and geolocated.

The analysis shows that the ACS Group's construction, services and concessions activities do not show significant risk in the short, medium and long term. An extensive catalogue of the coping and adaptation measures that the various companies implement in their projects in the different geographical areas of the Group was obtained, which showed that all the Group's eligible taxonomic (construction) activities meet the DNSH adaptation criterion.

Lastly, an extensive analysis of the opportunities for ACS and its clients was also carried out, considering different activities (Construction, Services and Concessions); roles (design, construction, promotion, development, operation and maintenance) and in different time horizons, laying the foundations for a quantification of the opportunities at project level.

#### ***E.4 4 Identify whether the entity has levels of risk tolerance, including tax risks***

ACS's Board is aware of the importance of adequately controlling and managing the risks that affect the achievement of its objectives, and it is therefore averse to risk.

The ACS Group's General Risk Control and Management Policy is aimed at achieving a moderate risk profile, through prudent management; a Group business model dedicated to the different activities with universal vocation; diversified by geographic areas, asset types, portfolios and clients; with a broad international presence, both in emerging and developed countries, maintaining an average/low risk profile in each of them; and seeking sustainable growth over time.

#### ***E.5 Indicate what risks, including tax risks, arose during the year.***

The ACS Group is exposed to risks arising from the businesses and sectors in which it operates. In addition, given that the Group operates in different countries, it is exposed to various regulatory and macroeconomic environments and is therefore exposed to any risks stemming from the performance of the global economy. Current conflicts such as Russia's invasion of Ukraine (and the effects of sanctions and other actions by several countries on the Russian economy intended to isolate and weaken it), the conflict between Israel and Gaza, and the situation in the Red Sea, although they have currently not had a significant impact on the ACS Group's business activities, are causing inflationary pressure and supply chain problems and, in general, are significantly disrupting the global economy, and increasing economic uncertainty and asset value volatility. The ACS Group continues to monitor the situation's potential impact on operating and financial performance in the activities of its various divisions. Although the current situation caused by the various conflicts has given rise to uncertainty regarding the performance and development of the markets and the infrastructure industry, the Group is lowering the risk profile of new contracts. It is highly diversified by activities and is located in developed regions with stable political frameworks that allow it to mitigate any impacts that may arise in the future.

The ACS Group companies are party to litigation, tax claims, competition claims and other legal proceedings in the ordinary course of their business, the result of which is unpredictable. The details of this are provided in the consolidated financial statements.

However, in relation to early detection and management of compliance risks, in 2023 the Compliance Committee carried out various corrective actions in aspects related to, among others, criminal and anti-bribery, information security, competition protection and management of the global compliance system.

#### ***E.6 Explain the response and supervision plans for the Company's main risks, including tax risks, and the procedures followed by the Company to ensure that the Board responds to the new challenges that may arise***

After assessing the significant risks, the best response is defined, based on the activity and characteristics specific to each risk. The risk responses may be to:

- **Mitigate:** Actions are designed and implemented to reduce the impact or probability of the risk occurring to an acceptable level for the organisation.
- The decision is made not to take any action on the risk in question, accepting its consequences and probability of occurrence.
- **Share/transfer:** Actions are carried out to share/transfer part of the risk with third parties, for example, through insurance contracting, partner search, outsourcing of processes, etc.
- **Avoid:** The decision is made to suspend the activity that gave rise to the risk so that the risk associated with it can be eliminated.



In general, all risks identified in the group 1 (high/high), 2 (high/medium) and 4 (medium/high) are examined by the Group's Management Committee at its different meetings. In addition, both the Executive Committee and the Board examine the information reported monthly or quarterly, as applicable, with the different quantitative indicators to analyse the situation of the risks faced by the Group.

A series of relevant measurements are established that basically relate to solvency, liquidity and the recurrence of results that, based on the circumstances in each case, determine the Group's risk management and enable the desired objective to be achieved. These elements are analysed both occasionally and on a prospective basis by means of case studies that make it possible to identify possible risks and, therefore, to carry out corrective actions as early as possible.

### **Internal reporting and control systems**

The Board considers that, for adequate risk control and management, it is essential to maintain the highest level of transparency in the information provided, both inside and outside the organisation.

All personnel must keep in mind that the information provided on Risk Management and Control must be:

- Complete, ensuring that all relevant information is transmitted for adequate control and risk management.
- Correct and truthful, ensuring that the information transmitted contains no errors.
- Value-creating, by fostering the development of a risk management and control culture.
- Transmitted fairly and symmetrically: i.e., all the recipients of the information must receive the same information over the same time horizon.
- Transmitted on time, i.e. at the time it is known and relevant for adequate risk control and management.

For these purposes, the Board is responsible for identifying and supervising the management of the main risks, and for the implementation and monitoring of an internal control and appropriate information system that allows for the appropriate management of these risks.



## F. INTERNAL RISK CONTROL AND MANAGEMENT SYSTEMS IN RELATION TO THE PROCESS OF ISSUING FINANCIAL INFORMATION (ICFRS)

Describe the mechanisms which make up the risk control and management systems in relation to the process of issuing financial information (ICFRS) for the entity.

### F.1 Company's control environment

Indicating their main characteristics, detail at least the following:

F.1.1 Which bodies and/or functions are responsible for: (i) the existence and maintenance of an adequate and effective ICFRS; (ii) its implementation; and (iii) its supervision.

The Internal Control over Financial Reporting System (hereinafter ICFRS) is part of the ACS Group's overall internal control system and is set up to provide reasonable assurance regarding the reliability of the financial information published. The bodies responsible for it, as can be seen from the Rules of the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A., available on the Company's website (<https://www.grupoacs.com>), are the Board and, within it, the supervisory function is delegated to the Audit Committee.

In accordance with Article 5 of its Regulations, the Board is empowered to approve 'the financial information to be periodically made public by the Company given that it is listed on the stock exchange'. Article 7 of the Regulations thus establish that 'The Board will prepare the individual and consolidated Annual Accounts and Management Reports in view of the report issued by the Audit Committee, to comply with prevailing legislation and to facilitate understanding by shareholders and by the general public'.

Furthermore, in accordance with Article 5, the Board's non-delegable functions include 'preparing the financial statements and submitting them to the General Meeting' and 'determining the risk management and control policy, including tax risks, and supervising internal information and control systems' and 'supervising the process of preparing and presenting the financial information and the management report, which will include mandatory non-financial information'.

The ACS Group's General Corporate Management is responsible for the Group's ICFRS. This entails defining, updating and monitoring the system to ensure that it operates correctly.

The head of each business area is responsible for designing, reviewing and updating the system in accordance with its own needs and characteristics. General Corporate Management validates these designs and their operation to guarantee compliance with the objectives set to assure the reliability of the financial information reported.

In relation to the above, in accordance with Article 25.6 of the Rules of the Board of Directors, the Audit Committee is responsible for, inter alia, the following:

In relation to the oversight of financial and non-financial information:

a) To report to the General Meeting on all matters arising within the mandate of the Committee and, in particular, on the result of the audit, explaining how the audit contributed to the integrity of the financial information and the role that the Committee played in that process.

b) To oversee and evaluate the preparation and presentation of the financial and non-financial information of the Company and where applicable, that of the group, while reviewing the compliance with regulatory requirements and ensuring the adequacy of the consolidation scope defined and the appropriate application of accounting criteria, and in particular knowing, understanding and overseeing the efficiency of the internal financial information control system (IFICS). The Committee may present recommendations or proposals to the Board to safeguard the integrity of the financial information.

c) To first report to the Board on the financial information and directors' report, which will include, where appropriate, the mandatory non-financial information that the Company must periodically publish.

d) To ensure that the Annual Financial Statements that the Board submits to the General Meeting are drawn up in accordance with accounting regulations and that, in cases where the auditor has indicated a qualification in its report, the Chair of the Audit Committee explains its content and scope with clarity in the General Meeting in the opinion of the Audit Committee, placing a summary of their opinion at the shareholders' disposal when the meeting call is published, together with the other proposals and reports.

In relation to the oversight of internal controls and internal audits:

a) To oversee the effectiveness of the Company's internal controls, ensuring that the internal control policies and procedures in place are applied effectively in practice, and that of the internal audit, while discussing any significant weaknesses in the internal control system identified during the performance of the audit with the statutory auditor, all of which must be done without compromising its independence, while providing its conclusion on the level of its trust in and reliability of the system. To this end, as the case may be, it may make recommendations or proposals to the Board and define the corresponding time-frame allowed for follow-up.

b) To oversee the independence of the internal audit unit; propose the selection, appointment, re-election and removal of the head of the internal audit department; propose the budget for the service; approve, or propose the board approve, its orientation and annual internal audit plan, ensuring that activities are directed principally towards key risks for the company (including reputational risks); receive regular information on internal activities; ensure that senior management takes the conclusions and recommendations of internal audit reports into consideration; and to conduct an annual review of the functioning of the internal audit unit and the performance of its functions by its head.

c) To establish and supervise a mechanism that allows employees and other persons related to the Company, such as directors, shareholders, suppliers, contractors or subcontractors, to confidentially report any potentially significant irregularities, including financial, accounting or any other irregularities related to the Company that they notice within the Company or its group, receiving regular information on its operation and being able to propose appropriate actions for its improvement and the reduction of risk in the future.

As pertains to the oversight of risk management and control:

a) To supervise and evaluate the effectiveness of the financial and non-financial risk management systems related to the Company and its group, including operational, technological, legal, social, environmental, political and reputational risks and those related to corruption.

b) To re-assess, at least annually, the list of the most significant financial and non-financial risks and assess the respective level of risk tolerance, while proposing, where appropriate, the corresponding adjustment to the Board. For these purposes, the Committee will hold, at least annually, a meeting with the heads of the business units in which they will explain the business trends and associated risks.

c) Directly to oversee the performance of the internal control and risk management functions carried out by any unit or department of the Company.

In this respect and in relation to the above risk management and control supervisory functions, the Audit Committee takes into account the criteria of the supervisory bodies in relation to the prevention of corruption and other irregular practises, and for the identification, management and control of the potential associated impacts, acting on this principle with maximum rigour.

On the other hand, the investee company Hochtief, A.G., which forms part of the ACS Group and is listed on the German stock exchange, has implemented its own risk management and internal control system for financial information, in accordance with the legislation to which it is subject. Additional information on these systems can be found in its 2023 annual reports, which are available at [www.hochtief.com](http://www.hochtief.com).

**F1.2 The existence or otherwise of the following components, especially in connection with the financial reporting process:**

**Departments and/or mechanisms responsible for: (i) the design and review of the organisational structure; (ii) defining clear lines of responsibility and authority, with an appropriate distribution of tasks and functions; and (iii) implementing procedures so this structure is communicated effectively throughout the company.**

In accordance with the Rules of the Board of Directors, the Nominations Committee under this Board is responsible for, inter alia, reporting on nominations and dismissals of Senior Executives, particularly those nominated to sit on the Group's Management Committee, and for proposing the basic terms of their contracts.

Corporate General Management, in the case of ACS, and the CEO or Chairman, in the case of the various business areas, are responsible for determining the organisational structure in their area of activity and communicating this to the interested parties through the anticipated channels in each case.

**Code of conduct, approving body, dissemination and instruction, principles and values covered (stating whether specific reference is made to record keeping and financial reporting), body in charge of investigating breaches and proposing corrective or disciplinary action.**

The current ACS Group Code of Conduct was approved by the Board on 27 July 2021 and published on the intranet and on the corporate website on the same day together with an explanatory video, and all members of the organisation subsequently received training on it.

The Code of Conduct originates from the previous text, in force since 2015, which has been adapted to the ACS Group's values, as included in its Integrated Report and the profound regulatory change on Sustainability, Governance and Compliance that took place between 2016 and 2021, both in Spain and at the EU and international level, taking into account the main standards in criminal compliance and anti-bribery, Human Rights due diligence, whistleblower protection, organisation governance, competition law, cybersecurity, and environmental due diligence.

It should be noted that this is a regulatory text, not one that is merely advisory, as were the ethical codes that were approved a decade ago. This means that it contains values and a Board mandate for all members of the organisation. It is therefore not a mere statement of principles. It is also a rule of rules. This is the rule under which all Policies and Procedures comprising the regulatory ACS compliance model must be interpreted.

The Code of Conduct is aimed at directors, executives and employees who have links with Group companies, regardless of the legal nature of their relationship.

The ACS Group is a decentralised Group and, therefore, each of its divisions has its own codes and regulatory bodies, but this Code of Conduct establishes the values of the entire ACS Group. ACS Group companies can equip themselves with their own codes of conduct and internal rules, provided that they are inspired by or in line with this text's principles. The Group will ensure that these principles are applied to non-controlled investees and joint ventures.

The main values contained in the Code of Conduct - Integrity, Excellence, Trust, Sustainability and Profitability- are also reflected in the Code of Conduct for Business Partners, which applies to the ACS Group's relations with third parties, recently revised on 27 February 2023, to adapt it to the new Policy on compliance with international sanctions imposed on third parties. These rules are accessible at the corporate website.

Hochtief, A.G. is a company listed on the Frankfurt Stock Exchange in Germany and is therefore subject to the regulations of its regulatory bodies and has its own Code of Conduct and its own internal whistle-blowing and control channel, in terms similar to those of the ACS Group. For this reason, the ACS Group's General Code of Conduct does not apply directly to investee companies belonging to the Hochtief Group.

The Code of Conduct highlights, as regards trust, the principle of transparency as one of its values. The Code therefore states that 'We act transparently. All persons in the ACS Group are required to provide truthful, necessary, complete and timely information on the performance of the activities related to our performance or area of competence. We must collaborate with audits, investigations and any other legitimate internal or external process that requires access to information that we know'.

The Compliance Committee is responsible for analysing breaches and proposing corrective actions and sanctions in the Parent. In 2023, ACS's Chief Risk Officer joined this Committee, reinforcing the control and monitoring of risks. Each division within the ACS Group has its own Compliance Committee and implements its own Compliance management model, which is supervised through an average control monitoring model

by the Compliance Committee of the parent company, to respect the high level of decentralisation and autonomy in management by the subsidiaries. To promote the adoption of their own compliance management model by subsidiaries, which can be understood as robust, ACS's Parent implements a double control system, explained in section E.2 of this Annual Corporate Governance Report.

The Annual Compliance Monitoring Report summarises, amongst others, the actions in relation to the Code of Conduct in 2023. It was approved by the Compliance Committee on 20 February 2024 and reported to the Audit Committee at its meeting on 29 February 2024.

In 2023, ACS obtained the certification issued by AENOR (the Spanish Association for Certification and Standardisation) of the ISO 37301:2021 standards on 'Compliance management systems' and UNE 19602:2019 on 'Tax compliance management systems' that it obtained in 2022. Furthermore, in 2023, ACS renewed the certifications issued by AENOR of its Crime Prevention Model in accordance with UNE 19601 'Criminal Compliance Management System' and UNE-ISO 37001 'Anti-Bribery Management Systems,' which it obtained again in 2021 and had renewed in 2022. These same certifications were obtained in 2018 and subsequently renewed in 2019 and 2020.

**Whistle-blowing channel, for reporting to the Audit and Control Committee any irregularities of a financial or accounting nature, and breaches of the code of conduct and malpractice within the organisation, stating whether reports made through this channel are confidential, and whether it allows for anonymous communications, respecting the rights of the whistle-blower and the reported party.**

To ensure compliance with the Code of Conduct, resolve incidents or doubts regarding its interpretation and take the necessary measures to better comply with it, reports can be submitted through the Whistleblower Channel. The ACS Compliance Committee, which reports to the Board through its Audit Committee, is the body responsible for promoting and managing the ACS Group's Whistleblower Channel and has autonomy and independence to perform responsible supervision, which does not transgress the level of autonomous management available to the different Group companies. The Compliance Committee is not only responsible for supervising the mechanisms established to comply with the Law, but also for supervising the rules to which the ACS Group voluntarily submits itself, including the Code of Conduct.

The ACS Group's Whistleblower Channel is available to anyone who intends to report a possible breach in a professional context with the ACS Group, and to all Group interlocutors and interested parties, allowing complaints to be made anonymously. Through the digital platform of the Whistleblower Channel, complainants may maintain contact with the organisation, preserving their identity and tracking the case. The ACS Compliance Committee is responsible for ensuring that there is no retaliation against the complainant.

Following a thorough update in 2021, the Whistleblower Channel Operation Policy was updated in 2023 to bring it into line with the Spanish Whistleblower Protection Act [Ley 2/2023, de 20 de febrero, reguladora de la protección de las personas que informen sobre infracciones normativas y de lucha contra la corrupción]. This update was approved by the Board on 27 July 2023.

ACS's Whistleblower Channel Operation Policy, which the Code of Conduct Monitoring Committee repealed, attributing its functions to the Compliance Committee, is based on the following grounds:

- As regards regulatory compliance, it is necessary to ensure that the rules imposed by public authorities and those others that ACS voluntarily assumes are correctly applied. This reality causes the scope of regulatory compliance models, internal control models and risk management models to be projected over both categories of obligations, seeking synergistic activities and governance structures that avoid duplication. The international recommendations point to the advisability of the Compliance function extending its activities to the supervision of internal regulations, including codes of conduct and other derived policies. Progress in this regard made the Code of Conduct Monitoring Committee, created before the establishment of the ACS Global Compliance

Management System, unnecessary, thus avoiding unnecessary redundancies with the current tasks of the Compliance Committee and contributing to having a clear, simple and effective model for managing questions and complaints.

- The Compliance Committee, which replaces and assumes the tasks of the Code of Conduct Monitoring Committee, is made up of persons of the organisation with sufficient professional qualifications to respond satisfactorily to the growing complexity of reports on ethics and compliance with rules. This committee reports directly to the Audit Committee, and is able to effectively receive and process reports related to behaviours that, in essence, infringe the principles envisaged in the current Code of Conduct.

This reform came into force in October 2021, once the new ACS Whistleblower Channel management platform was operational, at which time all content relating to the Whistleblower Channel was updated on the corporate website: [www.grupoacs.com](http://www.grupoacs.com)

On 28 July 2021, the Compliance Committee approved two new Procedures in development of the ACS Whistleblower Channel Operation Policy, which were adapted on 19 July 2022 to the content of the new UNE/ISO 37301:2021 standard for global compliance systems for the purposes of its certification:

- Procedure for investigating complaints and breaches at ACS
- Compliance disciplinary system

Lastly, the Whistleblowing Channel's rules were brought into line with the Whistleblower Protection Act. The purpose of these rules are to protect those who, in a work or professional context, detect serious or very serious criminal or administrative offences and report them through the regulated mechanisms, against reprisals.

In relation to the objective of standardising the processes and procedures of the complaints and queries channels of the Dragados Group, the Iridium Group, the Clece Group and the listed Parent, the Policy complies with the establishment of a common operating framework for the Whistleblower Channel for the ACS Group Divisions, which is being developed by each of them through internal procedural rules. As noted above, Hochtief, A.G. is a company listed on the German stock exchange and is therefore subject to the regulations of its own regulatory bodies and has its own Codes of Conduct and its own internal whistleblowing and control channel, in terms similar to those of the ACS Group. For this reason, the ACS Group's General Code of Conduct does not apply directly to investee companies belonging to the Hochtief Group.

Changes to the ACS Group's Whistleblowing Channel:

1. By post to:

Canal Ético Grupo ACS

Avda. Pío XII 102,

28036 Madrid, Spain.

2. Through the corporate website:

<https://www.grupoacs.com/compliance/canal-etico/> or directly through the following link: <https://secure.ethicspoint.eu/domain/media/en/gui/108376/index.html>

3. By telephone service 24 hours, 7 days a week, on the following numbers:

Country	Telephone number
Spain	900876841
United States of America	833 7781 528
Canada	833 7781 528
France	800990846
United Kingdom	0 800 077 3019

In 2023, 4 case files were opened in the ACS Whistleblowing Channel that did not have a significant impact on the year. In addition, numerous queries and complaints were received on the whistleblower channels of each of the Group's divisions. Considering all the Group's whistleblowing channels, 407 reports were received in 2023, which led to the corresponding cases being opened. The complaints and queries from different countries throughout the world have mostly been submitted via digital channels, in the case of complaints from employees or third parties outside the organisation.

**Training and refresher courses for personnel involved in preparing and reviewing financial information or evaluating the ICFRS, which address, at least, accounting rules, auditing, internal control and risk management.**

In regard to training and refresher courses, the ACS Group believes that continuous training for its employees and managers both at the corporate level and at the Group company level is important. Relevant and up-to-date training on regulations that affect financial reporting and internal control is considered to be necessary to ensure that the information reported to the markets is reliable and in accordance with the regulations in force.

Therefore, in 2023 throughout the entire ACS Group over 15,000 hours of training courses in finance, accounting rules, consolidation, auditing, internal control, risk management and compliance were given, attended by over 2,300 employees. In 2023, both remote training and the 'webinar' format were used for staff training, in addition to in-person classes.

## F.2 Risk assessment in financial reporting

Detail at least the following:

### F.2.1 The main characteristics of the risk identification process, including risks of error or fraud, stating whether:

**The process exists and is documented.**

The ACS Group has established a risk management model that supports a range of actions to comply with the objectives established by the Board. At its meeting held on 17 December 2020 the Board approved the current General Risk Management and Control Policy to adapt it to the new wording of Recommendation 45 of the Good Governance Code for listed companies as amended by the CNMV on 26 June 2020.

The Risk Map, updated during the year in accordance with the approved General Risk Management and Control Policy, includes the identification, assessment and classification of risks at Group and operational division level. The process of categorising the complete risk inventory applicable to the Business and Group has meant reviewing risk events in a range of categories or taxonomies, following the guidelines of recommendation 45 of the Good Governance Code of listed companies approved by the CNMV on 26 June 2020 and that were as follows:

- Strategic: Risks associated with key long-term objectives of the Business and the ACS Group; they may arise from the Group's own actions, from other key market participants (customers, competitors, regulators, investors or others), from changes in the competitive setting or from the business model itself.



- Operational: Risks associated with the activities carried out by the Group, including all risks related to the processes and operations carried out to perform our contracts, including the contracting process, as well as managing how they are carried out and completed.
- Technological: Risks linked to the technologies and systems used by the Business and the ACS Group, which could render it unable to efficiently and effectively support present and future needs or possible cyber-attacks.
- Legal, criminal and anti-bribery: Risks arising from non-compliance or lack of oversight and monitoring of regulations applicable to the Group across the various jurisdictions in which it operates, or relating to non-compliance with criminal and anti-bribery regulations, which could give rise to liability for the ACS Group and lead to legal action, penalties, fines or the partial or total stoppage of its activities.
- Social: Risks linked to the social rights of employees and individuals related to the Business or the ACS Group, and the socio-economic setting in which it operates.
- Environmental: Risks linked to potential environmental impacts and the circular economy, including climate change and energy efficiency, which could cause harm to society and to the Group's environment, loss of competitiveness, compensation and reparations or that could halt works, services or projects in progress.
- Reputational: Risks linked to the deterioration of the image and perception of the ACS Group, which may result from conduct by the companies that falls below the expectations created among its stakeholders, by the actions of third parties related to the Group or in other areas over which the Group has no control.
- Financial: Risks related to the economic and financial management of the Business and the ACS Group, the variability of the financial parameters to which it is exposed and the financial reporting processes.

To assess the risks, the differentiation between the inherent risks of residual risks was taken into account, taking into consideration the control and management mechanisms currently in place in the Group to address risks. Taking into account the control mechanisms, the impact (economic, operational and reputational impact based on the local, national or international level in the short-, medium- or long-term) and the residual probability (that the risk may materialise in a certain event) are assessed as high, medium and low in a basically qualitative manner.

In line with the Risk Map, the detailed analysis of the risks and opportunities arising from climate change for the ACS Group was also updated in 2023 as it had also been in 2022, which, taking into account different climate scenarios (both physical and transition), identified the potential risks arising in the short-, medium- and long-term. The analysis included transition risks (divided into regulatory, market, technological and reputational risks), physical risks (divided into chronic and acute risks) and opportunities (divided into market, product and service and resource efficiency opportunities). In this regard, the internal working group (IWG) was expanded in 2023 with increased participation from different divisions, subsidiaries and departments of the Group relevant to risk management, opportunity identification and ESG, as well as experts in assessing the climate risks in the ACS Group's activities and their financial implications.

When describing the ACS Group's general risk policy, these are described in section E of the Annual Corporate Governance Report, and in the corresponding section of the Statement on Non-Financial Information.

**Whether the process covers all financial reporting objectives, (existence and occurrence; integrity; valuation; presentation, breakdown and comparability; and rights and obligations), whether it is updated and how often.**

In addition to financial risks (liquidity, exchange rate, interest rate, credit and equity), the Group's risks also include those risks relating to the reliability of the financial information, including tax risks.

As part of ICFRS management, the ACS Group has a procedure that allows its scope to be identified and maintained by identifying all relevant subgroups and divisions, and the significant operating and support processes of each of the subgroups or divisions. This identification is carried out based on the materiality and risks factors that are inherent to each business.



The materiality criteria are established, on one hand, from the quantitative point of view in accordance with the most recent consolidated financial statements based on the various parameters, such as revenue, volume of assets or profit before tax and, on the other hand, from the qualitative point of view in accordance with various criteria, such as the complexity of the information systems, the risk of fraud or accounting based on estimates or bases that may have a subjective component. In practice, this means being able to determine which of the accounting headings of the financial statements are material, and other relevant financial information. In addition, the processes or business cycles in which this information is generated are identified.

The ACS Group's Corporate General Management is responsible for updating the scope of the Internal Control over Financial Reporting System and informing the various business areas and the auditor of any changes that occur.

For each process or business cycle included within the scope, the Group has identified the risks that can specifically affect financial reporting taking into account all of the financial reporting objectives (existence and occurrence; integrity; valuation; rights and obligations; and presentation and comparability), and taking into account the different risk categories described in section E of the ACGR to the extent that they could significantly affect financial reporting. In 2023 the ACS Group reviewed the adequacy of the procedures to the current operations to cover all the above objectives.

**A specific process is in place for identifying the scope of consolidation, taking into account the possible existence of complex corporate structures, special purpose vehicles, holding companies, etc.**

This assessment is performed at least on an annual basis and whenever companies are included in or excluded from the Group's scope of consolidation This scope is reviewed quarterly.

**The process takes into account the effects of other types of risks (operational, technological, financial, legal and tax risks, risks to reputation, environmental risks, etc.) to the extent that they affect the financial statements.**

The ACS Group's Risk Management System considers potential risks of a strategic, operational, technological, legal, criminal, anti-bribery, social, environmental, reputational, financial or any other type that, if they materialise, could have a significant impact on the Group's financial statements.

**Which of the company's governing bodies monitors the process?**

The Board is responsible for determining the risk management and control policy and the regular monitoring of information and control systems, while the Audit Committee is responsible for supervising and evaluating the effectiveness of the financial and non-financial risk management systems related to the Company and its Group, including operational, technological, legal, social, environmental, political and reputational risks and those related to corruption.

### ***F.3 Control activities***

Indicating their main characteristics, detail at least the following::

F.3.1 Procedures for reviewing and authorising the financial information and description of the ICFRS to be disclosed to the markets, indicating who is responsible in each case, and documentation and flow charts for activities and controls (including those addressing the risk of fraud) for each type of transaction that may materially affect the financial statements, including procedures for the closing of accounts and for the specific review of the relevant judgements, estimates, evaluations and projections.

Prior to their approval by the Board and to their publication, General Corporate Management must submit both the annual and half-yearly abridged consolidated financial statements and any other periodic public information supplied to the markets to the Audit Committee, taking into consideration the most relevant

effects and those matters whose contents or components are based on accounting opinions or assumptions for the purpose of calculating estimates and provisions.

Before the publication of the financial statements, those responsible for each line of business are required to review the information reported for the purposes of consolidation in their respective areas of responsibility.

This report with the description of the ICFRS is prepared by Corporate General Management based on the information supplied by all affected departments and business areas and is submitted for review and approval by the Audit Committee.

All business areas which are relevant for the purpose of financial reporting have different controls to ensure the reliability of the financial information. These controls are identified for the significant business cycles at consolidated level, based on the internal procedures used, and the reporting systems which are used as the basis for preparing the financial information of each business area.

The Group documents the significant processes, risks and control activities implemented in the business areas in a systematic and homogeneous manner, with the exceptions described for the listed investee companies that follow their own procedures. This documentation is based on the following:

- Identification of the companies and processes or business cycles that may significantly affect the financial information. Each significant process has a flow chart and a description of key activities.
- Identification of the risks and controls established to mitigate the financial reporting risks and those responsible for this control, under a common methodology.

The processes considered within the scope include the operating business cycles and the accounting close, communication of information and consolidation. The possible risks of fraud and the specific review of relevant judgements, estimates, evaluations and projections are taken into account in each of the business cycles. In 2023, the Group started to integrate all these processes into a GRC software tool that allows for more efficient and effective control of GRC. Those companies that fall within the scope of ICFRS but have not completed the relevant implementation are under the obligation to prepare a plan to proceed with implementation and report on roll-out to General Corporate Management.

**F.3.2 Internal control policies and procedures for IT systems (including secure access, control of changes, system operation, operating continuity and segregation of duties) giving support to key company processes regarding the preparation and publication of financial information.**

Following a policy of decentralisation and independence of each of its business areas, the ACS Group does not centrally manage its information systems, but rather each business area manages these resources based on the particular features of each business. This is not an obstacle hindering each of the business areas from defining its policies, standards and procedures for internal control over the reporting systems and security management. Although the ACS Group is characterised by this decentralised model, ACS's Compliance Committee performs a supervisory function on internal control procedures in relation to the information security systems implemented in ACS Group companies through a risk control model.

Access to the information systems is managed in accordance with tasks assigned to each job position, and each company defines its users' profiles for accessing, modifying, validating or consulting information following a criterion of segregation of duties defined by each area. Management of access, changes in the applications and the flows of approval are defined in the procedures of each business area, as are the responsibilities of those responsible for monitoring and control.

The control mechanisms for the recovery of information and information systems are defined in the corresponding continuity plans. Each of the business areas has storage and backup processes at different locations that provide for contingencies if necessary. Each Group company also establishes the required security measures against leaks and losses of physical and logical information, depending on the level of confidentiality.

The Chief Information Security Officer (CISO) appointed at ACS is responsible, based on the information security risks identified, for creating, updating, monitoring and carrying out the Information Security Master Plan. This Master Plan was created and approved on 27 July 2021 and is updated periodically in

accordance with the needs and the Audit Committee is informed of this on a regular basis through the Compliance Committee.

The functions of the CISO include, among others, providing expert advice on cybersecurity, and the early identification of security implications of new technological and regulatory trends, the analysis and continuous update of the security policy and its body of regulations, advice and support for the Compliance Committee and security training and awareness-raising.

All the information systems have perimeter protection, monitoring, network and access elements through a Security Operation Centre (SOC) and comply with security policies in terms of security updates, patches, antivirus and backup to guarantee the integrity, availability and confidentiality of the information. In addition, the CISO's office regularly conducts security audits of the main information systems, and pentesting and red team exercises (targeted attacks) to verify the effectiveness and improve the controls implemented.

**F.3.3 Internal control policies and procedures for overseeing the management of outsourced activities and of the appraisal, calculation or valuation services commissioned from independent experts, when these may materially affect the financial statements.**

The ACS Group does not usually subcontract work to third parties that could materially affect the financial statements. In any case, when the ACS Group outsources work to third parties, it ensures the technical training, independence and skills of the subcontractor. In the case independent experts are used, the person responsible for contracting these experts must validate the work and conclusions reached from their work.

In the specific case of valuations made by independent experts, their criteria and results are revised by Group management or by the management of the business areas affected, requesting comparison valuations when necessary.

Finally, it should be noted that the ACS Group has a Code of Conduct for Business Partners (which has been published on the Company's website), since it is essential for its business partners to comply with minimum standards of behaviour in line with ACS's Compliance Culture and its policies.

#### **F.4 Information and communication**

Indicating their main characteristics, detail at least the following:

**F.4.1 A specific function in charge of defining accounting policies, keeping them up to date (accounting policies area or department) and resolving any doubts or disputes that may arise over their interpretation, which is in regular communication with the team in charge of operations, and a manual of accounting policies regularly updated and communicated to all the company's operating units.**

Corporate General Management, through the Corporate Administration Department, is responsible for defining and updating the accounting policies and responding to queries and doubts arising from the implementation of the applicable accounting regulations. This can be done in writing and replies to queries are made as quickly as possible depending on their complexity.

The Group has an accounting policies manual that is in line with the International Financial Reporting Standards (IFRS) as these are adopted by the European Union (IFRS-EU). This manual, updated in January 2023, is applicable to all companies included in the Group's scope of consolidation and to its joint ventures and associates.

In cases where the ACS Group does not have control but does have a significant influence, the required adjustments and reclassifications are made to the associate's financial statements in order to ensure that the accounting criteria are uniform with those of the Group.

Group companies may have their own manual as long as it does not contradict that indicated in the Group's manual, so as to be able to ensure the uniformity of the accounting policies of ACS.

**F.4.2 Mechanisms in standard format for gathering and preparing financial information, which are applied and used in all units within the entity or group, and support its main financial statements and accompanying notes and disclosures concerning the ICFRS.**

Reporting to the ACS Group's Corporate General Management is carried out in accordance with the following guidelines:

1. Frequency of information reporting.

Once the meeting schedule of the Executive Committee and the Board has been set, the reporting dates and type of information to be reported are sent to the various heads of the divisions or Group companies on an annual basis.

2. Information type.

The information to be reported will vary and is detailed based on the reporting period (monthly / quarterly / half-yearly / annually).

3. Financial reporting format

The information sent to the Corporate Administration Department (Corporate General Management) by the various business areas was reported using the SAP BPC consolidation program that gathers both accounting information (mainly for the statement of financial position, the income statement, the comprehensive statement of recognised income and expense and the cash flow statement) and off the books information. This information is complemented with various Excel templates parametrised and automated for the aggregation and elaboration of various items of information, usually of an off-balance sheet and management nature.

For the preparation of the consolidated statements, all business areas must report any changes in the scope of consolidation of their business area prior to the end of the month. Before making the openings for the corresponding month, the consolidation program includes all the parametrisation of the consolidation system, which specifically includes the scope of consolidation affecting the entire ACS Group.

4. Model for internal control information

The ACS Group has defined a reporting system for the most significant controls included within the framework of the Internal Control over Financial Reporting System, in which each person responsible for its implementation and monitoring must send the Group's General Corporate Management a report detailing its operations during the period.

This reporting took place in 2023 on a half-yearly basis, at the same time as the publication of the ACS Group's interim half-yearly financial statement.

### ***F.5 Supervision of system operation***

Indicating their main characteristics, detail at least the following:

**F.5.1** The ICFRS supervision activities carried out by the Audit Committee, and whether the company has an internal audit function which includes support to the Committee in its work on supervising the internal control system, including the ICFRS, among its duties. Furthermore, indicate the scope of the assessment of the ICFRS carried out in the financial year and of the procedure by means of which the person responsible communicates the results, whether the entity has an action plan that details possible corrective actions and whether its impact on the financial information has been considered.

The ACS Group's Internal Audit Department is set up as an independent service, the function of which is to provide support to the Group's Board and senior management in the examination, evaluation and supervision of the internal control and risk management systems both of the Parent and the other companies forming part of the Group.

The ACS Group's internal corporate audits are carried out by the Internal Audit Department, which coordinates the auditing of the Group's various business areas.

The Corporate Internal Audit Department is included in the organisational structure as a body reporting hierarchically to the Corporate General Management and functionally to the Audit Committee of the Board. It has no hierarchical or functional link to the business areas. Therefore, the appointment/dismissal of the person responsible is at the suggestion of the Audit Committee. In this regard, Hochtief, A.G., as indicated in point F.1, has its own control system and its internal audit reports to its Audit Committee, as indicated in the

'Opportunities and Risks Report' of the Hochtief, A.G. 2023 Annual Report. (available on its website [www.hochtief.com](http://www.hochtief.com)).

In turn, the internal audit departments of the Parents of the Group's non-listed business areas report hierarchically to the Chairman and/or CEO of these areas and functionally to the Corporate Internal Audit Department. The functions assigned to the Internal Audit Department are as follows:

- a. Reviewing the implementation of policies, procedures and standards established in the Group's business areas, and the operations and transactions they perform.
- b. Identifying faults or errors in the systems and procedures, indicating their causes, issuing suggestions for improvement in the internal controls established and monitoring recommendations adopted by the management of the various business areas.
- c. Reviewing and assessing, in the performance of their work, the internal controls established, included among which are those which make up the risks associated with the financial information for the audited units.
- d. Reporting any anomalies or irregularities identified, recommending the best corrective actions and following up on the measures taken by the management of the different business areas.

The Corporate Internal Audit Department submits the Annual Audit Plan each year for approval by the Audit Committee. This Audit Plan consolidates the internal audits of the ACS Group companies, except for Hochtief AG and its group of companies.

The Corporate Internal Audit Management periodically submits to the Audit Committee a summary of the reports drafted and the status of the internal audits of the various business areas.

The Corporate Internal Audit Department submitted the 2023 Activities Report and the 2024 Audit Plan to the Audit Committee in March 2024. These included among other aspects an increase in the review of the operation of the control procedures and operations included in the internal control system for financial information. The audits carried out in 2023, as in previous years, were as follows:

- Audits of specific projects.
- Audits of branches or geographic areas within a company.
- Audits of processes or specific areas.
- Audits of companies or groups of companies.

A total of 45 audits were carried out in all the Business Areas of the Group in 2023, representing coverage equal to 27% of the ACS Group's total revenues excluding the Hochtief Group.

As in previous years, in 2023, the internal audits carried out specifically included a review procedure of the Internal Control over Financial Reporting System of the audited company, project or delegation, identifying a series of key controls to verify their operability. The coverage of the scope of work was in line with the companies and processes that are truly significant and in which the ICFR is implemented.

The purpose of this review was to obtain evidence of the controls on financial information at the company and delegation level, and the risk and control matrices, indicating in the corresponding audit report the internal control weaknesses identified and proposing, through the corresponding recommendations, the action plans to be adopted by the company to mitigate those risks and weaknesses, if any.

Accordingly, all the processes in which the Corporation's System of Internal Control over Financial Reporting is implemented, and the Central Services of each Business Department, have been reviewed, issuing, in each case, a report with the identified internal control weaknesses.

The method used consisted of reviewing the supporting documents of the evidence on each control and posing questions to the personnel in charge of performing each of the controls, to determine whether the control procedures described are implemented and in place.

In conclusion, there were no significant incidents worth mentioning and, in general, the revised controls adequately covered the risks for which they were assigned and the evidence provided adequately supported the application of those controls.

**F.5.2 A discussion procedure whereby the auditor (pursuant to TAS), the Internal Audit Department and other experts can report any significant internal control weaknesses encountered during their review of the financial statements or other assignments, to the company's senior management and its Audit Committee or administrators. Also report any action plan in place to correct or mitigate weaknesses observed.**

In accordance with the Rules of the Board of Directors, the Audit Committee has the following functions:

- To oversee the effectiveness of the Company's internal controls, ensuring that the internal control policies and procedures in place are applied effectively in practice, and that of the internal audit, while discussing any significant weaknesses in the internal control system identified during the performance of the audit with the statutory auditor, all of which must be done without compromising its independence, while providing its conclusion on the level of its trust in and reliability of the system. To this end, as the case may be, it may make recommendations or proposals to the Board and define the corresponding time-frame allowed for follow-up.
- To establish the appropriate relationships with the external auditor for the purpose of receiving information on any matter that may jeopardise the respective independence, for the examination of the Committee, and any other matter relating to the development process of the financial auditing, and when applicable authorize the services other than those which are prohibited, under the terms provided for in the applicable regulations, in addition to any other notification provided for under Spanish laws regarding financial auditing and technical auditing standards.

As a result of its work, the internal audit departments of the Group companies issue a written report which summarizes the work carried out, the situations identified, and the action plan including, where applicable, the timetable and persons responsible for correcting the situations identified, along with opportunities for improvement. These reports are sent to the head of the business area and to Corporate General Management.

As mentioned above, the Corporate Internal Audit Department submits an Activities Report to the Audit Committee which contains a summary of the activities carried out and the reports drawn up during the year, and monitoring the main significant aspects and recommendations contained in the various reports.

The Audit Committee holds meetings with the external auditor periodically and, in any case, always at those sessions at which the Audit Committee meets to review the abridged consolidated financial statements corresponding to the first and second half of the year, and before the meeting held by the Board to prepare the full annual individual financial statements of the parent, and the consolidated statements of the ACS Group. Additionally, it holds formal meetings to plan the work of external auditors for the current year, and to report the results that have been obtained in the preliminary review prior to the end of the financial year.

In 2023, the Internal Auditor attended five Audit Committee meetings and the External Auditor attended six Audit Committee meetings, at the invitation of the Chair and in relation to the agenda items for which their presence was requested

#### ***F.6 Other relevant information***

Not applicable

### ***F.7 External auditor's report***

Indicate:

F.7.1. Whether the ICFRS information supplied to the market has been reviewed by the external auditor, in which case the corresponding report should be included as an appendix. Otherwise, explain the reasons for the absence of this review.

The information relating to the ICFRS issued to the markets for 2023 was reviewed by the external auditor.



## G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the Company's degree of compliance with the recommendations of the Good Governance Code in Listed Companies.

If any recommendations are not followed or are only partially followed, a detailed explanation of the reasons for this must be included so that the shareholders, investors and the market in general have sufficient information to assess the company's conduct. Explanations of a general nature will not be acceptable.

1. The by-laws of listed companies may not limit the number of votes held by a single shareholder or impose other restrictions on the company's takeover via the market acquisition of its shares.

Complies	Explain
X	

2. When the listed company is controlled, within the meaning of section 42 of the Commercial Code, by another listed or unlisted company, and has, directly or through its subsidiaries, business relationships with that company or any of its subsidiaries (other than those of the listed company) or carries out activities related to those of any of them publicly reports accurately on:
  - a) The respective areas of activity and potential business relationships between, on the one hand, the listed company or its subsidiaries and, on the other, the parent company or its subsidiaries.
  - b) The mechanisms in place to resolve possible conflicts of interest.

Complies	Partially complies	Explain	Not applicable
			X

3. During the annual general meeting, the chairman of the board should supplement the published annual corporate governance report with a sufficiently detailed verbal report to shareholders on key corporate governance issues in the company, including in particular the following:
  - a) Changes since the last annual general meeting.
  - b) The specific reasons why the company does not follow any of the Corporate Good Governance recommendations, and whether any alternative rules are applied to the matters in question.

Complies	Partially complies	Explain
X		

4. The company should define and promote a policy on communication and contact with shareholders and institutional investors in the context of their engagement with the company and with proxy advisers that fully respects insider trading rules and accords equal treatment to all shareholders who are in the same position. The company should publish this policy on its website, including information regarding the ways in which it is put into practice and identifying interlocutors and the officers responsible for implementation.

Without prejudice to legal obligations to disseminate insider information and other regulated information, the Company also has a general policy regarding the communication of economic/ financial, non-financial and corporate information through the channels it considers appropriate (media, social media or other channels) that contributes to maximising the dissemination and quality of information available to the market, investors and other stakeholders.

Complies	Partially complies	Explain
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X

5. The board should not seek the delegation from annual general meetings of powers to issue shares or convertible bonds where such issues exclude preferential subscription rights and exceed 20% of share capital at the time of delegation.

Where the board of directors approves any issue of shares or convertible securities involving the exclusion of preferential subscription rights, the company should immediately publish the reports on such exclusion required in accordance with prevailing companies legislation on its website.

Complies	Partially complies	Explain
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X

6. Listed companies preparing the reports mentioned below, whether on a mandatory or voluntary basis, should publish the same on their corporate website sufficiently advance of the date of the annual general meeting, even where publication is not mandatory:

- a) Report on auditor independence.
- b) Reports on the functioning of the audit and nominations and remuneration committees.
- c) Audit committee report on related-party transactions.

Complies	Partially complies	Explain
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X

7. The company should broadcast shareholders' general meetings live on its website.

The Company has mechanisms that enable the delegation and casting of votes by electronic means and even, in the case of highly capitalised companies and to the extent proportionate, attendance and active participation at the General Meeting.

Complies	Partially complies	Explain
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X

8. The audit committee should ensure that the annual financial statements submitted by the Board to the General Shareholders' Meeting are drawn up in accordance with accounting regulations, and that, in cases where the auditor has indicated a reservation in its report, the chair of the audit committee explains its content and scope with clarity in the general meeting in the opinion of the audit committee, placing a summary of their opinion at the shareholders' disposal when the meeting call is published, together with the other proposals and reports.

Complies	Partially complies	Explain
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X

9. The company should publish the requirements and procedures required to accredit ownership of shares, the right of attendance at shareholders' general meetings and the delegation of voting rights on its website on a permanent basis.

These requirements and procedures should be designed to foster attendance and the exercise of voting rights by shareholders, and they should be applied on a non-discriminatory basis.

Complies	Partially complies	Explain
X		

10. Where any shareholder may legitimately have exercised the right to make any addition to the agenda or presented new proposals for resolutions before the date of the annual general meeting, the company should:

- a) Immediately publish these additional agenda items and new proposals for resolutions.
- b) Publish the form of the attendance card, proxy voting form or remote voting form containing the necessary changes to allow voting on the new points on the agenda and alternative proposals, in accordance with the terms proposed by the board of directors.
- c) Submit all these agenda items and alternative proposals to a vote applying the same voting rules as in the case of matters or proposals made by the board, including in particular any assumptions or deductions with regard to the nature of votes.
- d) After the shareholders' general meeting, the company should provide a breakdown of votes cast on any such additional agenda items or alternative proposals.

Complies	Partially complies	Explain	Not applicable
			X

11. the company intends to pay any bonuses for attending the annual general meeting, it should establish a general policy regarding such premiums in advance and apply the policy on a stable basis.

Complies	Partially complies	Explain	Not applicable
			X

12. The board should perform its duties with unity of purpose and independence, according all shareholders the same treatment. It will be guided at all times by the company's best interest, to be understood as establishing a profitable business that is sustainable in the long run, promoting business continuity and maximising the company's value.

In pursuit of the corporate interest, the company should not only abide by applicable laws and regulations and act in good faith, ethically and with due respect for custom and generally accepted best practice, but also seek to reconcile said corporate interest with the legitimate interests of its employees, suppliers, customers and other stakeholders potentially affected by the conduct of affairs, and with the impact of the company's activities on the community as a whole and on the environment.

Complies	Partially complies	Explain
X		

13. In the interests of the effectiveness and participatory nature of its functioning, the board of directors should comprise between five and fifteen members.

Complies	Explain
X	

14. The Board should approve a policy aimed at favouring an appropriate composition of the Board and that:

- a) is concrete and verifiable;

b) ensures that proposals for appointment or re-election of members are based on a prior analysis of the competences needed by the board; and

c) favours diversity of expertise, experience, age and gender. For these purposes, measures that encourage the company to have a significant number of female senior managers are considered to be conducive to gender diversity.

The result of the prior analysis of the skills required by the board should be set forth in a report of the appointments, which will be published on the occasion of the call to the shareholders' general meeting at which the ratification, appointment or re-election of each board member is to be sought.

The nominations committee should verify compliance with this policy on an annual basis and explain its findings in the annual corporate governance report.

Complies	Partially complies	Explain
	X	

The ACS Group has a diversity policy that contemplates expanding diversity on the governing bodies of ACS and its Group, the objectives and commitments regarding diversity and the mechanisms for monitoring, evaluating and following up the Policy, and in accordance with the Rules of the Board of Directors, the Nominations Committee evaluates the skills, knowledge and experience required on the Board, defining the functions and aptitudes required of the candidates to fill each vacancy, ensuring that the composition of the Board is appropriate, thus complying with the objectives of a specific Policy in this respect.

15. A broad majority on the board should be proprietary and independent board members and the number of executive directors should be the minimum necessary, taking into account the complexity of the group of companies and each executive directors' holding in the share capital of the company.

And the number of female directors should account for at least 40% of the members of the Board by the end of 2022 and thereafter, as previously it was not below 30%.

Complies	Partially complies	Explain
	X	

16. The percentage of the total non-executive directors represented by proprietary board members should not be greater than the proportion of capital represented on the board and the remainder of the company's capital.

This proportional criterion may be relaxed:

a) In large cap companies where few ownership interests attain the legal threshold for significant shareholdings.

b) In companies where multiple, otherwise unrelated shareholders are represented on the board.

Complies	Explain
	X

17. The number of independent board members should represent at least half of all board members.

Nevertheless, in companies which are not large cap concerns, or if they are, where a single shareholder or several acting in concert to control more than 30% of share capital, the number of independent board members should represent at least one third of the total board members.

Complies	Explain
X	

18. Companies will post the following information regarding the board members on their websites, and keep them permanently updated:

- a) Professional experience and background.
- b) Board memberships held at other companies, listed or otherwise, and any other remunerated activities of any kind in which the board member may engage.
- c) An indication of the board member's classification as executive, in the case of proprietary board members stating the shareholder they represent or have links with.
- d) The date of their first and subsequent appointments or reselection as a company board member.
- e) Shares held in the company and any options on them.

Complies	Partially complies	Explain
X		

19. Subject to verification by the nominations committee, the annual corporate governance report should explain the reasons for the appointment of proprietary board members at the request of shareholders holding equity interests of less than 3% of share capital. Likewise, the reasons for the refusal, where applicable, of any formal requests for seats on the board made by shareholders holding interests of equal size or greater than the interests owned by other shareholders at whose request proprietary board members were appointed.

Complies	Partially complies	Explain	Not applicable
			X

20. Proprietary board members will resign when the shareholders they represent dispose of the shares owned in their entirety. If these shareholders reduce their stakes, thereby losing some of their entitlement to Proprietary Board Members, their number should be reduced accordingly.

Complies	Partially complies	Explain	Not applicable
			X

21. The Board may not propose the removal of any independent board members before the expiry of the statutory term for which they were appointed, as mandated by the by-laws, except where just cause is found by the board based on a report of the nominations committee. In particular, just cause will be presumed when a board member takes up any new posts or contracts new obligations such as might prevent him/her from dedicating the necessary time to the discharge of the duties proper to the office of director, is found to be in breach of the duties inherent in his/her position or comes under one of the grounds leading to disqualification as independent, in accordance with the provisions of applicable legislation.

The removal of Independent board members may also be proposed when a takeover bid, merger or similar corporate operation produces changes in the company's capital structure and such changes in

the structure of the board of directors are a consequence of the proportionality criterion set out in Recommendation 16.

Complies	Explain
X	

22. Companies should lay down rules obliging directors to report and, where appropriate, resign when situations arise that affect them, whether or not related to their actions in the company itself, that could damage the credit and reputation of the company and, in particular, obliging them to inform the board of any criminal proceedings in which they are under investigation, and the progress of any subsequent trial.

After having been informed or otherwise learned of any of the situations described in the preceding paragraph, the board should examine the case as soon as possible and, having regard to the specific circumstances, will decide, following a report from the nominations committee, whether to take any action, such as opening an internal investigation, requesting the resignation of the director or proposing the director's removal. This should be reported in the annual corporate governance report, unless special circumstances justify it, which must be recorded in the minutes. This is without prejudice to the information that the company must disseminate, if appropriate, when the corresponding measures are adopted.

Complies	Partially complies	Explain
X		

23. All board members should express clear opposition when they feel a proposal submitted for approval by the board might harm the corporate interest. In particular, independents and other board members unaffected by potential conflicts of interest should challenge any decision that could be detrimental to the interests of shareholders lacking board representation.

When the board makes any material or recurring decisions on any matter about which a board member has expressed serious reservations, then he or she should draw the pertinent conclusions. Board members resigning for these causes should set out their reasons in the letter referred to in the next recommendation.

The terms of this recommendation also apply to the secretary of the board, whether or not he/she is also a board member.

Complies	Partially complies	Explain	Not applicable
X			

24. When, either by resignation or by resolution of the general meeting, a directors resign before the end of their term of office, they should sufficiently explain the reasons for their resignation or, in the case of non-executive directors, their opinion on the reasons for their removal by the meeting, in a letter to be sent to all board members.

Without prejudice to the fact that this is reported in the annual corporate governance report, to the extent relevant to investors, the company should publish the dismissal as soon as possible, including sufficient reference to the reasons or circumstances provided by the director.

Complies	Partially complies	Explain	Not applicable
X			

25. The nominations committee should ensure that non-executive directors have sufficient time available for the appropriate discharge of their duties.

The rules of the board of directors should establish a maximum number of other companies' boards on which the board members may hold seats.

Complies	Partially complies	Explain
	X	

The Nominations Committee should ensure that non-executive directors have sufficient time available for the appropriate discharge of their duties. However, this Recommendation is considered partially complied with because the Board Regulation does not establish a maximum number of boards of companies on which its directors may sit.

The Company considers that this is not the only variable that may affect the directors' dedication to the Company, and in general, the directors' performance of other professional activities must also be taken into account, to the extent that this may be a relevant variable to assess their availability to discharge their duties.

The Company also considers that with the aim of maintaining a balance between dedication to the Company and the benefits and experience they contribute from their own activity and presence on other boards, their presence on them cannot be restricted, as it is a matter in which the board members' own assessment should be taken into account, of whether they consider that they cannot offer the dedication necessary for an appropriate performance. At no time has the existence been detected of any lack of time or dedication by Board Members for the adequate performance of the duties with which they have been charged.

26. The board should meet as often as necessary to perform its functions effectively and at least eight times per year, following a schedule of dates and issues established at the start of the year. However, each board member may also individually propose other initially unscheduled items for inclusion in the agenda.

Complies	Partially complies	Explain
	X	

The Board, acting in accordance with the interests of the Company, has met with the frequency required to perform its duties effectively, dealing with all the matters under its purview and, in any event, whenever called by its chair, in accordance with the schedule established at the beginning of the year, and it was possible to cover these matters in seven meetings, making it unnecessary to hold any further meetings. This explains why this recommendation is considered to have been partially implemented, as it was not necessary to hold eight meetings.

27. Failure on the part of board members to attend meetings should be confined to unavoidable cases and non-attendance should be quantified in the annual corporate governance report. Proxies should be arranged with instructions in the event of inability to attend.

Complies	Partially complies	Explain
	X	

As stated in section C.1.26, the Company has had 94.29% attendance at Board meetings. As regards proxies with voting instructions, this is not considered generally advisable, given that one of the characteristics of the Board meetings is their deliberative nature, with the Directors expressing their different positions and opinions and, therefore, being able to reach conclusions other than their initial ones.



28. Where the directors or the secretary express any concerns over a proposal, or in the case of board members, over the conduct of the company's affairs, and their concerns are not resolved at a board meeting, the concerns raised will be recorded in the minutes at the request of the party expressing them.

Complies	Partially complies	Explain	Not applicable
X			

29. The company should establish appropriate channels to allow the directors to obtain the necessary advice to discharge their duties, including external advisory services payable by the company where circumstances so require.

Complies	Partially complies	Explain
X		

30. Irrespective of the expertise required of board members for the discharge of their duties, companies should offer board members training programmes to refresh their knowledge and skills, where circumstances so require.

Complies	Explain	Not applicable
X		

31. The agenda for board meetings should indicate clearly the points on which the board is required to adopt a decision or resolution, so that the directors can examine or obtain the necessary information in advance.

Where the chairman may wish in exceptional circumstances and for reasons of urgency to propose decisions or resolutions that are not included in the agenda for approval by the board, the express prior consent of the majority of the board members present will be required and will be recorded in the minutes.

Complies	Partially complies	Explain
X		

32. Board members should be periodically informed of changes in the shareholder structure and of the opinions of the company held by significant shareholders, investors and rating agencies.

Complies	Partially complies	Explain
X		

33. As the officer responsible for the effective functioning of the board, the chair will exercise the functions attributed by law and the Company By-Laws, and will prepare and submit to the board a schedule of dates and an agenda, organise and coordinate periodic assessments of the board, and where appropriate, of the company's chief executive officer. The chair will also be responsible for directing the work and effective functioning of the board, ensuring that sufficient time is given over to the discussion of strategic issues, and agreeing and reviewing the programmes established to refresh the knowledge of each director where circumstances so require.

Complies	Partially complies	Explain
X		

34. Where there is a coordinating director, the by-laws or rules of the board of directors should grant that director the following powers in addition to those conferred by law to chair the board in the absence of

the chair and deputy chairs, where applicable; to take note of the concerns voiced by non-executive directors; to maintain contacts with investors and shareholders in order to learn their points of view and form an opinion of their concerns, in particular with regard to corporate governance of the company; and to coordinate the plan for succession of the chair.

Complies	Partially complies	Explain	Not applicable
X			

35. The secretary to the board should oversee the actions and decisions of the board, ensuring that they are based on the good governance recommendations applicable to the company as set forth in the Good Governance Code.

Complies	Explain
X	

36. The board should meet once per year in full session to evaluate and, where appropriate, adopt an action plan to correct any weaknesses identified with respect to:

- a) The quality and effectiveness of the board's functioning.
- b) The functioning and membership of its committees.
- c) The diversity of the board's membership and powers.
- d) The performance of the chair of the board and the company's chief executive officer.
- e) The performance and contribution of each director, focusing in particular upon the directors responsible for each of the board committees.

Assessments of the different committees will be based upon the reports submitted by them to the board, while the evaluation of the board itself will be based on the report submitted by the nominations committee.

Every three years, the board will be assisted in its evaluation by an external consultant, whose independence will be verified by the nominations committee.

Business relations maintain by the company or any group company with the consultant or any company forming part of the consultant's group will be duly disclosed in the annual corporate governance report.

The processes and areas evaluated will be described in the annual corporate governance report.

Complies	Partially complies	Explain
X		

37. When there is an executive committee there are at least two non-executive directors, at least one of whom is independent; and the secretary is the board secretary.

Complies	Partially complies	Explain	Not applicable
X			

38. The board will at all times be apprised of the matters debated and decisions taken by the executive committee, and all board members will receive copies of the minutes to meetings of the executive committee.

Complies	Partially complies	Explain	Not applicable
X			

39. All the members of the audit committee, and especially its chair, must be appointed on the strength of their expertise and experience in accounting, auditing and/or risk management, both financial and non-financial.

Complies	Partially complies	Explain
X		

40. A unit should be set up under the supervision of the audit committee to perform the internal audit function and oversee the proper functioning of information and internal control systems. The internal audit unit will report functionally to the non-executive chair of the board or to the audit committee.

Complies	Partially complies	Explain
X		

41. The head of internal audit should present the audit committee with an annual work program for approval by it or the board, informing it directly of its performance, including any incidents limits on its scope arising during its implementation, and of the results and tracking of its recommendations, and submit an activities report at the end of each year.

Complies	Partially complies	Explain	Not applicable
X			

42. In addition to those established by law, the audit committee should perform the following functions:

1. In relation to information systems and internal control:

- a) To supervise and assess the process of preparing and the integrity of the financial and non-financial information, and the systems for controlling and managing financial and non-financial risks relating to the company and, where applicable, the group, including operational, technological, legal, social, environmental, political and reputational or corruption-related risks, reviewing compliance with regulatory requirements, the accurate demarcation of the scope of consolidation and the correct application of accounting criteria.
- b) To oversee the independence of the internal audit unit; propose the selection, appointment, re-election and removal of the head of the internal audit department; propose the budget for the service; approve, or propose the board approve, its orientation and annual internal audit plan, ensuring that activities are directed principally towards key risks for the company (including reputational risks); receive regular information on internal activities; and ensure that senior management takes the conclusions and recommendations of internal audit reports into consideration.
- c) To establish and supervise a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report potentially significant irregularities, including financial, accounting or any other irregularities related to the company that they notice within the company or its group. This mechanism must guarantee confidentiality and, in any case, provide for cases in which communications may be made anonymously, respecting the rights of the complainant and the respondent.
- d) In general, to ensure that the policies and systems established in internal control are effectively applied in practise.

2. In relation to the external auditor:

- a) To examine the circumstances and reasons in the event of resignation of the external auditor.
- b) To ensure that the remuneration of the external auditor's work does not compromise quality or independence.
- c) To oversee reporting by the company of any change of auditor to the CNMV, and to ensure that it is accompanied by a statement with regard to the possible existence of any disagreements with the outgoing auditor and their content.
- d) To ensure that the external auditor holds an annual meeting with the whole of the board to report on the audit work carried out and on the evolution of accounting matters and the risks to which the company is exposed.
- e) To ensure that the company and the external auditor respect prevailing regulations governing the provision of services other than audit, the limits on the concentration of the auditor's business and the terms of regulations governing auditor independence in general.

Complies	Partially complies	Explain
X		

43. The audit committee may call any employee or executive of the company, and may even require attendance without the presence of any other executive.

Complies	Partially complies	Explain
X		

44. The audit committee will be apprised of all information concerning transactions involving structural or corporate changes which the company or any company forming part of its group plan to carry out. The committee will examine such information and report in advance to the board on the financial terms and accounting impact of those transactions, and in particular on the exchange ratio proposed, if any.

Complies	Partially complies	Explain	Not applicable
X			

45. The control and risk management policy should identify or determine at least:

- a) The different types of financial and non-financial (operational, technological, legal, corporate, environmental, political and reputational, including those related to corruption) risk to which the company is exposed, including contingent liabilities and other off-balance sheet risks among the financial and business risks identified.
- b) A risk management and control model based on different levels, which will be formed by a specialised risk committee when provided for by sector rules or when considered appropriate by the company.
- c) The level of risk that the company considers acceptable.
- d) The measures provided to mitigate the impact of the risks identified, in the event that they were to materialise.
- e) The information and internal control systems used to control and manage risks, including contingent liabilities and off-balance sheet risks.

Complies	Partially complies	Explain
X		

46. An internal control and risk management function headed up by an internal unit or department of the company should be set up under the direct supervision of the audit committee or, where appropriate, of a specialized board committee to take charge of the following functions:

- a) To ensure the proper functioning of internal control and risk management systems and, in particular, to ensure that the same adequately identify, manage and quantify all significant risks to which the company may be exposed.
- b) To participate actively in the preparation of the risk strategy and significant decisions with regard to risk management.
- c) To ensure that risk control and management systems adequately mitigate risks within the framework of the policy defined by the board of directors.

Complies	Partially complies	Explain
X		

47. The members of the nominations and remuneration committee (or of the nominations committee and the remuneration committee where separate) should be appointed in view of their knowledge, skills and experience of the functions they will be required to discharge, and the majority should be independent board members.

Complies	Partially complies	Explain
X		

48. Large cap companies should establish a separate nominations committee and remuneration committee.

Complies	Explain	Not applicable
X		

49. The nominations committee will consult with the chairman of the board and the company's chief executive officer, in particular on matters relating to executive directors.

Any board member may request that the nominations committee to take potential candidates to cover vacancies in the board of directors into consideration, where they understand the same to be suitable.

Complies	Partially complies	Explain
X		

50. The remuneration committee will exercise its functions independently. In addition to those attributed by law, these functions will comprise:

- a) To propose the basic terms and conditions of senior management contracts to the board.
- b) To verify compliance with the remuneration policy established by the company.
- c) Periodically to review the remuneration policy applied to board members and senior executives, including share-based remuneration systems and their application, if any, and to provide assurance that individual remuneration is proportionate and in line with the compensation paid to other directors and senior executives of the company.
- d) To ensure that potential conflicts of interest do not adversely affect the independence of external advice provided to the committee.

- e) To verify information on the remuneration of board members and senior executives contained in corporate documents, including the annual report on board members' remuneration.

Complies	Partially complies	Explain
X		

51. The remuneration committee will consult with the chairman or executive director, especially on issues involving executive directors and senior executives.

Complies	Partially complies	Explain
X		

52. The rules governing the membership and functioning of supervisory and control committees should be set forth in the rules of the board and should be consistent with those applied by law to mandatory committees in accordance with the foregoing recommendations, including:

- a) Membership should comprise exclusively non-executive directors, with a majority of independent board members.
- b) Committee chairs should be independent board members.
- c) The board should appoint the members of committees in view of the knowledge, skills and experience of board members and the duties entrusted to each committee, debating the relevant proposals and reports. Each committee should likewise held to account for its activity and the work carried out at the first full board meeting held after each of its meetings.
- d) The committees may seek external advice where considered necessary for the due discharge of their functions.
- e) Minutes will be kept of each meeting and will be provided to all of the board members.

Complies	Partially complies	Explain	Not applicable
			X

53. Supervision of compliance with the company's environmental, social and corporate governance policies and rules, and internal codes of conduct, should be attributed to one or more Board committees that may be the audit committee, the nominations committee, a committee specialising in sustainability or corporate social responsibility or another specialised committee that the Board, in exercising its self-organisation powers, has decided to create. This committee should only be composed of non-executive directors, with the majority being independent and specifically attributed the minimum functions indicated in the following recommendation.

Complies	Partially complies	Explain
X		

54. The minimum functions referred to in the previous recommendation are as follows:

- a) Supervision of compliance with corporate governance rules and the company's internal codes of conduct, also ensuring that the corporate culture is aligned with its purpose and values.
- b) Supervision of the application of the general policy relating to the communication of economic-financial, non-financial and corporate information, and communication with shareholders and

investors, voting advisers and other stakeholders. The way in which the company communicates and relates to small and medium-sized shareholders will also be monitored.

- c) Regular evaluation of the suitability of the company's system of corporate governance to ensure that it fulfils its mission of promoting the corporate interest and takes the legitimate interests of the remaining stakeholders into account in an appropriate manner.
- d) Supervision to ensure that the company's environmental and social practices comply with the defined strategy and policy.
- e) Supervision and evaluation of processes affecting different stakeholder groups.

Complies	Partially complies	Explain
X		

55. The sustainability policies in environmental and social matters should identify and include at least:

- a) The principles, commitments, objectives and strategy regarding shareholders, employees, customers, suppliers, social issues, the environment, diversity, tax liability, respect for human rights and the prevention of corruption and other illegal conduct.
- b) The methods or systems for monitoring compliance with policies, associated risks and their management.
- c) The mechanisms established to monitor non-financial risks, including those related to ethics and business conduct.
- d) The channels established for communication, participation and dialogue with stakeholders.
- e) Responsible communication practices to prevent the manipulation of information and safeguard personal integrity and honour.

Complies	Partially complies	Explain
X		

56. Directors' remuneration should be set at the necessary levels to attract and retain board members with the desired profile, and to reward the dedication, qualifications and responsibility required by their office, but it should not be set so high as to compromise the independence of non-executive directors.

Complies	Explain
X	

57. Variable remuneration linked to the company's results and personal performance should be confined to the executive directors, as should remuneration systems based on the allocation of shares, options or rights over shares or other instruments linked to the share price, and long-term savings systems such as pension plans or retirement and other prudential schemes.

Share-based remuneration may be considered for non-executive directors subject to the condition that any securities delivered by held until the board member concerned leaves office. This condition will not apply to any securities which the board member concerned may need to dispose of, where applicable, to settle acquisition costs.

Complies	Partially complies	Explain
X		



58. In the case of variable pay, remuneration policies should establish the necessary limits and technical precautions to ensure that such rewards relate to the professional performance of beneficiaries and do not accrue merely as a result of the general evolution of the markets, the industry in which the company operates or other similar circumstances.

In particular, variable pay components should:

- a) Be linked to predetermined, measurable performance criteria, and such criteria should take into account the risks assumed to obtain results.
- b) Promote the sustainability of the company and should include non-financial criteria related to long-run value creation, and compliance with the company's internal rules and procedures, and with its risk control and management policies.
- c) Should be structured on the basis of balance between the attainment of objectives in the short, medium and long term, so as to remunerate ongoing success and performance over a sufficient period of time to appreciate the contribution made to the sustainable creation of value and ensure that the performance variables measured do not refer only to one-off, occasional or extraordinary events.

Complies	Partially complies	Explain	Not applicable
X			

59. The payment of variable remuneration components should be subject to sufficient verification that the previously established performance or other conditions have been effectively fulfilled. The companies should include in the directors' annual remuneration report the criteria as regards the time required and methods for that verification based on the nature and characteristics of each variable component.

In addition, the companies should weigh the establishment of a reduction clause ('malus') based on the deferral for a sufficient period of payment of a part of the variable components that implies their total or partial loss if any event occurs before the time of payment that makes it advisable.

Complies	Partially complies	Explain	Not applicable
X			

60. In the case of remuneration linked to company earnings, deductions should be computed for any qualifications stated in the independent auditor's report.

Complies	Partially complies	Explain	Not applicable
X			

61. A relevant percentage of the variable remuneration paid to executive directors should be linked to delivery of shares or financial instruments indexed to the share price.

Complies	Partially complies	Explain	Not applicable
X			

62. Once the shares, options or financial instruments corresponding to the remuneration systems have been attributed, the executive directors should not be able to transfer their ownership or exercise them until at least three years have elapsed.

An exception is made where the directors maintain, at the time of the transfer or exercise, a net economic exposure to changes in the share price of a market value equivalent to an amount of at least twice their annual fixed remuneration through the ownership of shares, options or other financial instruments.

This will not apply to shares that the directors need to dispose of to meet the costs related to their acquisition or, subject to the favourable opinion of the nominations and remuneration committee, to deal with extraordinary situations that so require.

Complies	Partially complies	Explain	Not applicable
X			

63. Contractual agreements with directors should include a clause allowing the company to claim reimbursement of variable remuneration items where payment was not in line with the performance conditions established, or where payment was made in view of data later found to be inaccurate.

Complies	Partially complies	Explain	Not applicable
X			

64. Severance payments made on the termination of contracts should not exceed an amount equal to two years' total annual remuneration, and they should not be made until the company has been able to verify that the board member meets the criteria and conditions for receiving them.

For the purposes of this recommendation, severance payments will be considered any payments whose accrual or payment obligation arises as a result of or when the contractual relationship between the director and the company is terminated, including amounts not previously consolidated of long-term savings systems and amounts paid under post-contractual non-compete agreements.

Complies	Partially complies	Explain	Not applicable
X			

## H. OTHER INFORMATION OF INTEREST

1. *If there are any relevant aspects relating to corporate governance in the company or group entities which have not been reflected in the other sections of this report, but which need to be included to give more complete and reasoned information on the structure and governance practices in the company or its group, detail them briefly.*
2. *This section can also include any other information, clarification or qualification relating to the previous sections of the report, provided that it is material and not repetitive.*

*In particular, indicate whether the company is subject to any legislation other than the Spanish legislation on corporate governance and, if so, include the information that it is required to furnish, where such information differs from that required in this report.*

3. *The company may also indicate whether it has adhered voluntarily to other codes on ethical principles or good practices, whether international or applying to the sector or other scope. Where applicable, identify the code in question and the date of adherence. In particular, mention whether it has adhered to the Code of Good Tax Practices of 20 July 2010.*

At the Board meeting held on 19 November 2010, the Company adopted a decision to adhere to the Code of Good Tax Practices developed by the Tax Agency and the Large Business Forum and communicated to that Agency on 1 December 2010. This Code aims to strengthen transparency and co-operation in the Company's tax practices, and to increase legal certainty in the interpretation of tax rules.

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This Annual Corporate Governance Report was approved by the Board of the Company at its meeting held on 21 March 2024.

Indicate whether any Board Members voted against or abstained in relation to the approval of this Report.

Yes	No
	X

Name or corporate name of the Board Member not voting in favour of the approval of this report	Grounds (against, abstention, absence)	Explain reasons
Comments		

# **ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A.**

Assurance' report on the 2023 "Information  
Relating to the system of internal control over  
financial reporting (ICFR)" of ACS, ACTIVIDADES DE  
CONSTRUCCIÓN Y SERVICIOS, S.A.

April 4 2024

*Translation of a report originally issued in Spanish based on our  
work performed in accordance with the assurance regulations  
in force in Spain and prepared in accordance with the regulatory  
reporting framework applicable to the Group in Spain. In the  
event of a discrepancy, the Spanish-language version prevails*

*Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.*

**"INFORMATION RELATING TO THE SYSTEM OF INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)" OF ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. ASSURANCE REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31<sup>st</sup> 2023**

To the Directors of ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A.:

As requested by the Board of Directors of ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. ("the Entity") and in accordance with our engagement letter of December 21<sup>st</sup> 2023, we have applied certain procedures to the accompanying "Information relating to the ICFR" of ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. for fiscal year finished on December 31<sup>st</sup> 2023, which summarises the internal control procedures of the Entity in relation to its annual financial reporting.

Directors are responsible for adopting the appropriate measures in order to reasonably guarantee the implementation, maintenance and supervision of an adequate internal control system and for making improvements to that system and for preparing and establishing the content of the accompanying information relating to the ICFR system attached.

In this regard it should be noted, irrespective of the quality of the design and operational effectiveness of the internal control system adopted by the Entity in relation to its annual financial reporting, that the system can only permit reasonable, but not absolute, assurance in connection with the objectives pursued, due to the limitations inherent to any internal control system.

In the course of our audit work on the financial statements and pursuant to Technical Auditing Standards, the sole purpose of our assessment of the internal control of the Entity was to enable us to establish the scope, nature and timing of the audit procedures to be applied to the Entity's financial statements. Therefore, our assessment of internal control performed for the purposes of the aforementioned audit of financial statements was not sufficiently extensive to enable us to express a specific opinion on the effectiveness of the internal control over the regulated annual financial reporting.

For the purpose of issuing this report, we applied exclusively the specific procedures described below and indicated in the *Guidelines on the Auditors' Report on the Information relating to the System of Internal Control over Financial Reporting of Listed Companies*, published by the Spanish National Securities Market Commission on its website, which establishes the work to be performed, the minimum scope thereof and the content of this report. Since the work resulting from such procedures has, in any case, a reduced scope that is significantly less extensive than that of an audit or a review of the internal control system, we do not express an opinion on the effectiveness thereof, or on its design or operating effectiveness, in relation to the Entity's annual financial reporting for 2023 described in the accompanying information on the ICFR system. Therefore, had we applied procedures additional to those established in the aforementioned Guidelines or performed an audit or a review of the internal control over the regulated annual financial reporting, other matters or aspects might have been disclosed which would have been reported to you.

In addition, since this special engagement does not constitute an audit of financial statements and is not subject to current Spanish Audit Law, we do not express an audit opinion in the terms provided in that Law.

The procedures applied were as follows:

1. Perusal and understanding of the information prepared by the Entity in relation to the ICFR system - disclosure information included in the directors' report - and assessment of whether this information addresses all the information required considering the minimum content described in section F, of the ACGR form, relating to the description of the ICFR system as established in CNMV Circular 5/2013 of June 12<sup>th</sup> 2013, and subsequent modifications, the most recent being CNMV Circular 3/2021 of September 28<sup>th</sup> 2021 (hereinafter referred to as CNMV circulars).
2. Inquiries of personnel in charge of preparing the information detailed in point 1 above for the purpose of achieving: (i) familiarisation with the preparation process; (ii) obtainment of the information required in order to assess whether the terminology used is adapted to the definitions provided in the reference framework; (iii) obtainment of information on whether the aforementioned control procedures have been implemented and are in use at the Entity.
3. Review of the explanatory documents supporting the information detailed in point 1 above, including documents directly made available to those responsible for describing the ICFR systems. In this respect, the aforementioned documentation includes reports prepared by the Internal Audit Department, senior executives or other internal or external experts providing support functions to the Audit Committee.
4. Comparison of the information detailed in point 1 above with the knowledge on the Entity's ICFR obtained through the procedures applied during the financial statement audit work.
5. Reading of the meetings minutes of the Board of Directors, Audit and Control Committee and other committees of the Entity to evaluate the consistency between the ICFR business transacted and the information detailed in point 1 above.
6. Obtainment of the representation letter in connection with the work performed, signed by those responsible for preparing and formulating the information detailed in point 1 above.

**The procedures applied to the information relating to the ICFR system did not disclose any inconsistencies or incidents that might affect the information.**

On 4 April 2024, and solely in order to include certain additional information on events after the reporting period, the Entity's directors re-authorized for issue the Group's consolidated financial statements and the consolidated directors' report for 2023, which includes in its section F the information prepared by the Entity in relation to the ICFR, and which had been authorized for issue on 21 March 2024. This report supersedes that previously issued on 21 March 2024. Our conclusion is not modified in respect of this matter.

This report has been prepared exclusively in the context of the requirements of article 540 of Corporate Enterprises Act and by CNMV Circulars, published by the Spanish National Securities Market Commission for the purposes of the description of the ICFR system in Annual Corporate Governance Reports.  
DELOITTE, S.L.

Ignacio Alcaraz Elorrieta

April 4, 2024