

# **ACS, Actividades de Construcción y Servicios, S.A. and Subsidiaries**

Consolidated Annual Accounts for the year ended 31 December 2021, prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Consolidated Directors' Report



# Auditor's Report on ACS, Actividades de Construcción y Servicios, S.A. and Subsidiaries

**(Together with the consolidated annual accounts and consolidated directors' report of ACS, Actividades de Construcción y Servicios, S.A. and Subsidiaries for the year ended 31 December 2021)**

*(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*



KPMG Auditores, S.L.  
Paseo de la Castellana, 259 C  
28046 Madrid

## **Independent Auditor's Report on the Consolidated Annual Accounts**

*(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*

To the shareholders of ACS, Actividades de Construcción y Servicios, S.A.

### **REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS**

#### **Opinion**

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We have audited the consolidated annual accounts of ACS, Actividades de Construcción y Servicios, S.A. (the "Parent") and Subsidiaries (together the "Group"), which comprise the consolidated statement of financial position at 31 December 2021, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and consolidated notes.

In our opinion, the accompanying consolidated annual accounts give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of the Group at 31 December 2021 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU), and other provisions of the financial reporting framework applicable in Spain.

#### **Basis for Opinion**

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We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the consolidated annual accounts pursuant to the legislation regulating the audit of accounts in Spain. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, have affected the required independence such that this has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated annual accounts of the current period. These matters were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| <b>Recognition of revenue from long-term contracts</b><br>See notes 03.16, 12 and 27 to the consolidated annual accounts   |  |
|--|--|
| <i>Key audit matter</i>  | <i>How the matter was addressed in our audit</i>   |
| <p>A significant portion of the ACS Group's revenue relates to construction contracts, in which revenue is recognised using the percentage of completion method or based on the stage of completion of the contract.</p> <p>The recognition of revenue and the profit/loss on these contracts therefore entails a high level of judgement by management and the Directors, and control of the estimates made and any deviations that might arise over the contract term. The estimates take into account all costs and revenue associated with the contracts, including any additional costs not initially budgeted, any risks or claims being disputed, and any revenue under negotiation with or being claimed from the customer.</p> <p>Due to the uncertainty associated with these estimates and the fact that changes therein could lead to material differences in the revenue recorded, this has been considered a key audit matter.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>– evaluating the design and implementation of the key controls associated with the process of recognising revenue from long-term contracts;</li> <li>– selecting a sample of construction contracts based on certain quantitative and qualitative criteria, so as to evaluate the most significant and complex estimates used in the recognition of revenue. We obtained documentation supporting these estimates and evidence of any judgements made by management and the Directors;</li> <li>– conducting a comparative analysis of profit/loss on completed contracts with the budgeted profit/loss;</li> <li>– analysing the key clauses of a selection of contracts, identifying relevant contractual mechanisms, such as penalties, and assessing whether or not such clauses have been appropriately reflected in the amounts recognised in the consolidated annual accounts;</li> <li>– assessing the reasonableness and the judgement applied by management and the Directors in evaluating completed works with progress billings pending and awaiting approval by the customer, recognised as revenue at year end, and for a sample of such works analysing the status of negotiations with customers of the main contracts and evaluating the reasonableness and consistency of the</li> </ul> |



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| <b>Recognition of revenue from long-term contracts</b>                |  |
|---|--|
| <b>See notes 03.16, 12 and 27 to the consolidated annual accounts</b> |  |
| <i>Key audit matter</i>   | <i>How the matter was addressed in our audit</i>   |
|   | <p>documentation underpinning the probability of recovery, considering our own expectations based on knowledge of the component and our experience in the sector and in the countries in which the Group operates;</p> <ul style="list-style-type: none"><li>– assessing whether the provisions recognised at year end in relation to each of the contracts reasonably reflect the main obligations and the level of risk of the contracts, evaluating the judgement applied by management and the Directors in these estimates;</li><li>– assessing whether the disclosures in the consolidated annual accounts meet the requirements of the financial reporting framework applicable to the Group.</li></ul> |



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**Measurement of the investment in ABERTIS**  
 See note 09 to the consolidated annual accounts

| <i>Key audit matter</i>  | <i>How the matter was addressed in our audit</i>   |
|--|--|
| <p>At 31 December 2021 the Group holds an equity-accounted investment in Abertis Holdco, S.A. which is recognised under “Investments accounted for using the equity method” in the consolidated statement of financial position in an amount of Euros 2,782,886 thousand. As required under the applicable financial reporting framework, once the investment has been accounted for using the equity method, the Group assesses whether there are any indications that its net investment in the associate may be impaired. Where there are indications of impairment, the Group calculates the recoverable amount.</p> <p>The recoverable amount is calculated by applying valuation techniques that often require the exercising of judgement by the Directors and management, as well as the use of assumptions and estimates.</p> <p>Due to the uncertainty and judgement associated with these estimates, as well as the significance of the carrying amount of the investment, we have considered the measurement thereof a key audit matter.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>- evaluating the design and implementation of key controls related to process of estimating the recoverable amount;</li> <li>- assessing whether there are indications that the investment may be impaired, for the purpose of determining whether the carrying amount exceeds the recoverable amount;</li> <li>- evaluating the reasonableness of the methodology, assumptions and data used by management and the Directors when estimating the recoverable amount of the investment in Abertis Holdco, S.A., with the involvement of our corporate finance specialists, and analysing the sensitivity of this amount to changes in certain key assumptions, in order to determine the impact thereof on the measurement;</li> <li>- assessing whether the disclosures in the consolidated annual accounts meet the requirements of the financial reporting framework applicable to the Group.</li> </ul> |



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| <b>Accounting treatment of the sale of the Industrial Services Division</b><br><b>See note 03.09.02 to the consolidated annual accounts</b>  |  |
|--|--|
| <i>Key audit matter</i>  | <i>How the matter was addressed in our audit</i>   |
| <p>As mentioned in note 03.09.02 to the accompanying consolidated annual accounts, on 31 December 2021 the ACS Group sold most of the Industrial Services Division to the VINCI Group.</p> <p>This transaction was agreed on 31 March 2021 through the execution of a binding sale-purchase agreement, although certain conditions precedent had not yet been fulfilled, in particular as regards competition.</p> <p>Once the sale-purchase deed was executed on 31 December 2021, and having been fulfilled the conditions precedent contained in the binding sale-purchase agreement of 31 March 2021, the Group derecognised the assets and liabilities sold, recognising a net profit of Euros 3,517 million under “Profit after tax from discontinued operations” in the consolidated income statement, on considering that the criteria laid down in the applicable financial reporting framework for the sale transaction to be considered a discontinued operation had been met.</p> <p>Due to the significance of the sale transaction and the inherent judgement associated therewith, this has been considered a key audit matter.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>- reading and understanding the binding sale-purchase agreement executed on 31 March 2021, and the sale-purchase deed of 31 December 2021, in order to comprehend the terms and conditions set forth therein;</li> <li>- evaluating whether the conditions laid down in the financial reporting framework applicable to the Group have been met, as regards the presentation of the profit/loss of the discontinued operations associated with the part of the business sold;</li> <li>- analysing the post-tax profit/loss of discontinued operations by examining the main variables affecting the calculation thereof, including the cash consideration received by the Group, the calculation of the fair value of the earn-out provided for under the contract, and the carrying amount of the net assets disposed of in the sale transaction;</li> <li>- assessing whether the disclosures in the consolidated annual accounts meet the requirements of the financial reporting framework applicable to the Group.</li> </ul> |



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| <b>Recoverability of deferred tax assets</b><br>See notes 03.09.02, 03.19 and 26.05 to the consolidated annual accounts   |   |
|---|---|
| <i>Key audit matter</i>   | <i>How the matter was addressed in our audit</i>  |
| <p>At 31 December 2020, “Deferred tax assets” in the Group’s consolidated statement of financial position included Euros 651,738 thousand in respect of tax credits (tax losses and deductions) of the Spanish tax group.</p> <p>The recognition and measurement of deferred tax assets entails a high level of judgement by management and the Directors in assessing the probability and sufficiency of future taxable profits, future reversals of existing taxable temporary differences and tax planning opportunities.</p> <p>Due to the sale of most of the Industrial Services Division to the VINCI Group, and given that a significant amount of the estimated future taxable profits that, from an accounting perspective, underpin the recoverability of the Spanish tax group’s deferred tax assets would have been generated by the Industrial Services Division, at the 2021 reporting date management of the ACS Group has recognised impairment of Euros 459,982 thousand in respect of tax credits for loss carryforwards and Euros 90,735 thousand for deductions.</p> <p>In view of the significance of these balances and the judgement associated with the assumptions used to estimate the recoverable amount of deferred tax assets, this has been considered a key audit matter.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>- assessing the design and implementation of the controls over the recognition and measurement of deferred tax assets;</li> <li>- assessing the key assumptions used to estimate the Group's future taxable profits;</li> <li>- comparing these key assumptions with data from external sources, such as economic forecasts, and with the Group's historical data;</li> <li>- bringing in our tax specialists to perform an assessment of the appropriateness of the tax approach used to calculate future taxable profits;</li> <li>- evaluating the sufficiency of future taxable profits to offset deferred tax assets, considering the estimated time scale for such offset as well as their consistency with the financial reporting framework applicable to the Group;</li> <li>- assessing whether the disclosures in the consolidated annual accounts meet the requirements of the financial reporting framework applicable to the Group.</li> </ul> |





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## **Other Information: Consolidated Directors' Report**

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Other information solely comprises the 2021 consolidated directors' report, the preparation of which is the responsibility of the Parent's Directors and which does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not encompass the consolidated directors' report. Our responsibility regarding the information contained in the consolidated directors' report is defined in the legislation regulating the audit of accounts, as follows:

- a) Determine, solely, whether the consolidated non-financial information statement and certain information included in the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, as specified in the Spanish Audit Law, have been provided in the manner stipulated in the applicable legislation, and if not, to report on this matter.
- b) Assess and report on the consistency of the rest of the information included in the consolidated directors' report with the consolidated annual accounts, based on knowledge of the Group obtained during the audit of the aforementioned consolidated annual accounts. Also, assess and report on whether the content and presentation of this part of the consolidated directors' report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described above, we have observed that the information mentioned in section a) above has been provided in the manner stipulated in the applicable legislation, that the rest of the information contained in the consolidated directors' report is consistent with that disclosed in the consolidated annual accounts for 2021, and that the content and presentation of the report are in accordance with applicable legislation.

## **Directors' and Audit Committee's Responsibility for the Consolidated Annual Accounts**

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The Parent's Directors are responsible for the preparation of the accompanying consolidated annual accounts in such a way that they give a true and fair view of the consolidated equity, consolidated financial position and consolidated financial performance of the Group in accordance with IFRS-EU and other provisions of the financial reporting framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts, the Parent's Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Parent's audit committee is responsible for overseeing the preparation and presentation of the consolidated annual accounts.



*(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*

## **Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts**

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual accounts.

As part of an audit in accordance with prevailing legislation regulating the audit of accounts in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's Directors.
- Conclude on the appropriateness of the Parent's Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee of the Parent regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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We also provide the Parent's audit committee with a statement that we have complied with the applicable ethical requirements, including those regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the audit committee of the Parent, we determine those that were of most significance in the audit of the consolidated annual accounts of the current period and which are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

### **European Single Electronic Format**

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We have examined the digital files of ACS, Actividades de Construcción y Servicios, S.A. and subsidiaries for 2021 in European Single Electronic Format (ESEF), which comprise the XHTML file that includes the consolidated annual accounts for the aforementioned year and the XBRL files tagged by the Parent, which will form part of the annual financial report.

The Directors of ACS, Actividades de Construcción y Servicios, S.A. are responsible for the presentation of the 2021 annual financial report in accordance with the format and mark-up requirements stipulated in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (hereinafter the "ESEF Regulation"). In this regard, they have incorporated the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration by means of a reference thereto in the consolidated directors' report.

Our responsibility consists of examining the digital files prepared by the Directors of the Parent, in accordance with prevailing legislation regulating the audit of accounts in Spain. This legislation requires that we plan and perform our audit procedures to determine whether the content of the consolidated annual accounts included in the aforementioned digital files fully corresponds to the consolidated annual accounts we have audited, and whether the consolidated annual accounts and the aforementioned files have been formatted and marked up, in all material respects, in accordance with the requirements of the ESEF Regulation.

In our opinion, the digital files examined fully correspond to the audited consolidated annual accounts, and these are presented and marked up, in all material respects, in accordance with the requirements of the ESEF Regulation.

### **Additional Report to the Audit Committee of the Parent**

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The opinion expressed in this report is consistent with our additional report to the Parent's audit committee dated 24 March 2022.



*(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*

## **Contract Period**

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We were appointed as auditor of the Group by the shareholders at the ordinary general meeting on 10 May 2019 for a period of three years, beginning the year ended 31 December 2019.

KPMG Auditores, S.L.

On the Spanish Official Register of Auditors ("ROAC") with No. S0702

*(Signed on original in Spanish)*

Manuel Martín Barbón

On the Spanish Official Register of Auditors ("ROAC") with No. 16239

24 March 2022

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## ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2021

| ASSETS  | Note      | Thousands of Euros |                   |
|---|-----------|--------------------|-------------------|
|   |           | 31/12/2021         | 31/12/2020        |
| <b>NON-CURRENT ASSETS</b>   |           | <b>11,010,031</b>  | <b>13,018,795</b> |
| <b>Intangible assets</b>  | 04        | <b>3,279,412</b>   | <b>3,659,179</b>  |
| Goodwill  |           | 2,672,253          | 2,863,053         |
| Other intangible assets   |           | 607,159            | 796,126           |
| <b>Tangible assets - property, plant and equipment</b>              | 05        | <b>1,464,868</b>   | <b>1,764,077</b>  |
| <b>Non-current assets in projects</b>                               | 06        | <b>72,853</b>      | <b>406,151</b>    |
| <b>Investment property</b>  | 07        | <b>41,003</b>      | <b>42,298</b>     |
| <b>Investments accounted for using the equity method</b>            | 09        | <b>4,524,229</b>   | <b>4,479,551</b>  |
| <b>Non-current financial assets</b>                                 | 10        | <b>765,707</b>     | <b>760,556</b>    |
| <b>Long term deposits</b>   | 10        | <b>987</b>         | <b>283</b>        |
| <b>Derivative financial instruments</b>                             | 22        | <b>11,577</b>      | <b>17,847</b>     |
| <b>Deferred tax assets</b>  | 26.05     | <b>849,395</b>     | <b>1,888,853</b>  |
| <b>CURRENT ASSETS</b>   |           | <b>24,654,314</b>  | <b>24,314,925</b> |
| <b>Inventories</b>  | 11        | <b>742,092</b>     | <b>715,241</b>    |
| <b>Trade and other receivables</b>                                  | 12        | <b>8,380,356</b>   | <b>10,498,289</b> |
| Trade receivables for sales and services                            | 10        | 6,686,487          | 8,500,244         |
| Other receivable  | 10        | 1,400,815          | 1,762,431         |
| Current tax assets  | 26        | 293,054            | 235,614           |
| <b>Other current financial assets</b>                               | 10        | <b>1,280,079</b>   | <b>1,354,982</b>  |
| <b>Derivative financial instruments</b>                             | 22        | <b>200,875</b>     | <b>251,316</b>    |
| <b>Other current assets</b>   | 13        | <b>202,839</b>     | <b>233,154</b>    |
| <b>Cash and cash equivalents</b>                                    | 10 and 14 | <b>11,253,419</b>  | <b>8,080,808</b>  |
| <b>Non-current assets held for sale and discontinued operations</b> | 03.09     | <b>2,594,654</b>   | <b>3,181,135</b>  |
| <b>TOTAL ASSETS</b>   |           | <b>35,664,345</b>  | <b>37,333,720</b> |

The accompanying notes 01 to 38 and Appendices I to III are an integral part of the consolidated statement of financial position at 31 December 2021.



## ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2021

| EQUITY AND LIABILITIES  | Note  | Thousands of Euros |                   |
|---|-------|--------------------|-------------------|
|   |       | 31/12/2021         | 31/12/2020        |
| <b>EQUITY</b>   | 15    | <b>7,028,203</b>   | <b>4,275,907</b>  |
| <b>SHAREHOLDERS' EQUITY</b>   |       | <b>6,505,222</b>   | <b>4,197,251</b>  |
| Share capital   |       | 152,332            | 155,332           |
| Share premium   |       | 366,379            | 495,226           |
| Reserves  |       | 3,633,014          | 3,608,699         |
| (Treasury shares and equity interests)  |       | (691,916)          | (636,011)         |
| Profit for the period of the parent   |       | 3,045,413          | 574,005           |
| <b>ADJUSTMENTS FOR CHANGES IN VALUE</b>   |       | <b>(170,918)</b>   | <b>(668,772)</b>  |
| Financial assets with changes in other comprehensive income                                 |       | (6,847)            | (27,547)          |
| Hedging instruments   |       | (73,150)           | (159,383)         |
| Translation differences   |       | (90,921)           | (481,842)         |
| <b>EQUITY ATTRIBUTED TO THE PARENT</b>  |       | <b>6,334,304</b>   | <b>3,528,479</b>  |
| <b>NON-CONTROLLING INTERESTS</b>  |       | <b>693,899</b>     | <b>747,428</b>    |
| <b>NON-CURRENT LIABILITIES</b>  |       | <b>11,444,846</b>  | <b>10,605,990</b> |
| Grants  | 16    | 2,099              | 3,485             |
| Non-current provisions  | 20    | 1,835,267          | 1,276,375         |
| <b>Non-current financial liabilities</b>  |       | <b>8,717,354</b>   | <b>8,370,036</b>  |
| Bank borrowings, debt instruments and other marketable securities                           | 17    | 8,570,163          | 8,179,726         |
| Project finance with limited recourse   | 18    | 51,069             | 73,318            |
| Other financial liabilities   | 19    | 96,122             | 116,992           |
| <b>Long term lease liabilities</b>  | 05    | <b>401,430</b>     | <b>472,836</b>    |
| <b>Derivative financial instruments</b>   | 22    | <b>33,050</b>      | <b>49,791</b>     |
| <b>Deferred tax liabilities</b>   | 26.05 | <b>227,112</b>     | <b>320,488</b>    |
| <b>Other non-current liabilities</b>  |       | <b>228,534</b>     | <b>112,979</b>    |
| <b>CURRENT LIABILITIES</b>  |       | <b>17,191,296</b>  | <b>22,451,823</b> |
| <b>Current provisions</b>   | 20    | <b>996,564</b>     | <b>921,378</b>    |
| <b>Current financial liabilities</b>  |       | <b>1,808,491</b>   | <b>2,885,808</b>  |
| Bank borrowings, debt instruments and other marketable securities                           | 17    | 1,751,296          | 2,781,175         |
| Project finance with limited recourse   | 18    | 18,472             | 16,123            |
| Other financial liabilities   | 19    | 38,723             | 88,510            |
| <b>Short term lease liabilities</b>   | 05    | <b>150,765</b>     | <b>192,173</b>    |
| <b>Derivative financial instruments</b>   | 22    | <b>172,791</b>     | <b>155,460</b>    |
| <b>Trade and other payables</b>   | 23    | <b>11,738,435</b>  | <b>15,824,034</b> |
| Suppliers   |       | 5,940,236          | 8,619,276         |
| Other payables  |       | 5,637,192          | 6,983,515         |
| Current tax liabilities   | 26    | 161,007            | 221,243           |
| <b>Other current liabilities</b>  | 24    | <b>266,700</b>     | <b>226,888</b>    |
| <b>Liabilities relating to non-current assets held for sale and discontinued operations</b> | 03.09 | <b>2,057,550</b>   | <b>2,246,082</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>   |       | <b>35,664,345</b>  | <b>37,333,720</b> |

The accompanying notes 01 to 38 and Appendices I to III are an integral part of the consolidated statement of financial position at 31 December 2021.

## ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES

**CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

|  | Note            | Thousands of Euros |                   |
|--|-----------------|--------------------|-------------------|
|  |                 | 2021               | 2020              |
|  |                 |                    | (*)               |
| <b>REVENUE</b>   | 27              | <b>27,836,658</b>  | <b>29,304,697</b> |
| Changes in inventories of finished goods and work in progress                          |                 | 19,437             | (611)             |
| Capitalised expenses of in-house work on assets  | 27              | 556                | 1,205             |
| Procurements   | 28.01           | (19,019,818)       | (20,502,276)      |
| Other operating income   | 27              | 105,529            | 344,443           |
| Personnel expenses   | 28.02           | (6,239,286)        | (6,777,423)       |
| Other operating expenses   |                 | (1,680,762)        | (1,747,791)       |
| Depreciation and amortisation  | 04,05,06 and 07 | (479,446)          | (876,318)         |
| Allocation of grants relating to non-financial assets and others                       | 16              | 299                | 306               |
| Impairment and gains or losses on the disposal of non-current assets                   | 29              | (199,642)          | 1,077,070         |
| Other results  | 29              | (246,790)          | 1,921             |
| Ordinary results of companies accounted for using the equity method                    | 09              | 272,745            | 155,298           |
| Financial income   |                 | 102,555            | 143,030           |
| Financial costs  | 28.05           | (362,517)          | (376,653)         |
| Changes in the fair value of financial instruments                                     | 22 and 28.04    | (91,821)           | 77,635            |
| Exchange differences   |                 | 24,858             | (42,233)          |
| Impairment and gains or losses on the disposal of financial instruments                | 29              | 14,267             | 111,411           |
| Non-ordinary results of companies accounted for using the equity method                | 09              | 680                | 10,712            |
| <b>PROFIT BEFORE TAX</b>   |                 | <b>57,502</b>      | <b>904,423</b>    |
| Income tax   | 26.03           | (789,372)          | (255,121)         |
| <b>PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>                                |                 | <b>(731,870)</b>   | <b>649,302</b>    |
| Profit after tax from discontinued operations  | 03.09           | 3,958,104          | 279,188           |
| <b>PROFIT FOR THE PERIOD</b>   |                 | <b>3,226,234</b>   | <b>928,490</b>    |
| (Profit) / loss attributed to non-controlling interests                                | 15.07           | (169,481)          | (319,455)         |
| (Profit) / loss from discontinued operations attributable to non-controlling interests | 15.07           | (11,340)           | (35,030)          |
| <b>PROFIT ATTRIBUTABLE TO THE PARENT</b>   |                 | <b>3,045,413</b>   | <b>574,005</b>    |

| EARNINGS PER SHARE                                      | Note | Euros per share |      |
|---|------|-----------------|------|
|   |      | 2021            | 2020 |
| Basic earnings per share                                | 31   | 10.74           | 1.95 |
| Diluted earnings per share                              | 31   | 10.74           | 1.95 |
| Basic earnings per share from discontinued operations   | 31   | 13.91           | 0.83 |
| Basic earnings per share from continuing operations     | 31   | (3.18)          | 1.12 |
| Diluted earnings per share from discontinued operations | 31   | 13.91           | 0.83 |
| Diluted earnings per share from continuing operations   | 31   | (3.18)          | 1.12 |

(\*) Restated.

The accompanying notes 01 to 38 and Appendices I to III are an integral part of the consolidated income statement for the year ended 31 December 2021.

## ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

|  | Thousands of Euros |                  |
|--|--------------------|------------------|
|  | 2021               | 2020             |
| <b>(A) CONSOLIDATED RESULTS FOR THE PERIOD</b>   | <b>3,226,234</b>   | <b>928,490</b>   |
| <b>(B) OTHER COMPREHENSIVE INCOME - ITEMS THAT ARE NOT RECLASSIFIED TO PROFIT OR LOSS FOR THE PERIOD:</b>  | <b>(3,817)</b>     | <b>(28,968)</b>  |
| For actuarial gains and losses   | 32,173             | (38,747)         |
| Tax effect (Note 26.04)  | (35,990)           | 9,779            |
| <b>(C) OTHER COMPREHENSIVE INCOME - ITEMS THAT MAY BE RECLASSIFIED AFTER THE INCOME FOR THE PERIOD:</b>    | <b>713,801</b>     | <b>(506,982)</b> |
| <b>1. Hedging transactions:</b>  | <b>45,324</b>      | <b>19,601</b>    |
| Valuation gains/(losses)   | 24,666             | 4,863            |
| Amounts transferred to the profit and loss account   | 20,658             | 14,738           |
| <b>2. Conversion differences:</b>  | <b>389,614</b>     | <b>(318,630)</b> |
| Valuation gains/(losses)   | 162,223            | (345,795)        |
| Amounts transferred to the profit and loss account   | 227,391            | 27,165           |
| <b>3. Share in other comprehensive income recognized for investments in joint ventures and associates:</b> | <b>247,121</b>     | <b>(200,082)</b> |
| Valuation gains/(losses)   | 247,121            | (200,082)        |
| <b>4. Debt instruments at fair value with changes in other comprehensive income</b>                        | <b>—</b>           | <b>—</b>         |
| <b>5. Other income and expenses that may be reclassified after the result of the period:</b>               | <b>74,042</b>      | <b>(12,775)</b>  |
| Valuation gains/(losses)   | 74,118             | (12,775)         |
| Amounts transferred to the profit and loss account   | (76)               | —                |
| <b>6. Tax effect (Note 26.04)</b>  | <b>(42,300)</b>    | <b>4,904</b>     |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (A + B + C)</b>   | <b>3,936,218</b>   | <b>392,540</b>   |
| Attributed to the controlling entity   | 3,542,392          | 246,907          |
| Attributed to non-controlling interests  | 393,826            | 145,633          |

The accompanying notes 01 to 38 and Appendices I to III are an integral part of the consolidated statement of comprehensive income for the year ended 31 December 2021.

**ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

|  | Thousands of Euros |                |                                      |                  |                       |  |                           |                  |
|--|--------------------|----------------|--------------------------------------|------------------|-----------------------|--|---------------------------|------------------|
|  | Share capital      | Share premium  | Retained earnings and other reserves | Treasury shares  | Valuation adjustments | Profit/(Loss) attributed to the Parent | Non-controlling interests | TOTAL            |
| <b>Balance at 01 January 2020</b>  | <b>157,332</b>     | <b>897,294</b> | <b>3,163,352</b>                     | <b>(402,542)</b> | <b>(356,377)</b>      | <b>962,027</b>                         | <b>1,084,882</b>          | <b>5,505,968</b> |
| Income / (expenses) recognised in equity                                   | —                  | —              | (14,703)                             | —                | (312,395)             | 574,005                                | 145,633                   | <b>392,540</b>   |
| Capital increases (Note 15)  | 7,138              | —              | (7,138)                              | —                | —                     | —                                      | —                         | —                |
| Capital reductions (Note 15)   | (2,000)            | —              | 2,000                                | —                | —                     | —                                      | —                         | —                |
| Stock options  | —                  | —              | 4,471                                | —                | —                     | —                                      | —                         | <b>4,471</b>     |
| Distribution of profit from the prior year:                                |                    |                |                                      |                  |                       |  |                           |                  |
| To reserves  | —                  | —              | 962,027                              | —                | —                     | (962,027)                              | —                         | —                |
| Acquisition of free allocation rights against 2019 (Note 15)               | —                  | —              | (141,284)                            | —                | —                     | —                                      | —                         | <b>(141,284)</b> |
| Remaining allotment rights from 2019 accounts (Note 15)                    | —                  | —              | 92,723                               | —                | —                     | —                                      | —                         | <b>92,723</b>    |
| Acquisition of additional free allocation rights 2019 (Note 15)            | —                  | —              | (484,583)                            | —                | —                     | —                                      | —                         | <b>(484,583)</b> |
| Remaining allotment rights from 2019 accounts (Note 15)                    | —                  | —              | 287,464                              | —                | —                     | —                                      | —                         | <b>287,464</b>   |
| To dividends   | —                  | —              | —                                    | —                | —                     | —                                      | (248,819)                 | <b>(248,819)</b> |
| Treasury shares (Note 15.04)   | (7,138)            | (402,068)      | (95,544)                             | (233,469)        | —                     | —                                      | —                         | <b>(738,219)</b> |
| Treasury shares through investees  | —                  | —              | (64,893)                             | —                | —                     | —                                      | (103,160)                 | <b>(168,053)</b> |
| Change in listed investees   | —                  | —              | (111,854)                            | —                | —                     | —                                      | (161,160)                 | <b>(273,014)</b> |
| Change in the consolidation perimeter and other effects of a lesser amount | —                  | —              | 16,661                               | —                | —                     | —                                      | 30,052                    | <b>46,713</b>    |
| <b>Balance at 31 December 2020</b>   | <b>155,332</b>     | <b>495,226</b> | <b>3,608,699</b>                     | <b>(636,011)</b> | <b>(668,772)</b>      | <b>574,005</b>                         | <b>747,428</b>            | <b>4,275,907</b> |
| Income / (expenses) recognised in equity                                   | —                  | —              | (875)                                | —                | 497,854               | 3,045,413                              | 393,826                   | <b>3,936,218</b> |
| Capital increases (Note 15)  | 5,449              | —              | (5,449)                              | —                | —                     | —                                      | —                         | —                |
| Capital Reductions (Note 15)   | (3,000)            | —              | 3,000                                | —                | —                     | —                                      | —                         | —                |
| Stock options  | —                  | —              | 4,471                                | —                | —                     | —                                      | —                         | <b>4,471</b>     |
| Distribution of profit from the prior year:                                |                    |                |                                      |                  |                       |  |                           |                  |
| To reserves  | —                  | —              | 574,005                              | —                | —                     | (574,005)                              | —                         | —                |
| Acquisition of free allocation rights against 2020 (Note 15)               | —                  | —              | (128,847)                            | —                | —                     | —                                      | —                         | <b>(128,847)</b> |
| Remaining allotment rights from 2020 accounts (Note 15)                    | —                  | —              | 73,131                               | —                | —                     | —                                      | —                         | <b>73,131</b>    |
| Acquisition of additional free allocation rights 2020 (Note 15)            | —                  | —              | (359,064)                            | —                | —                     | —                                      | —                         | <b>(359,064)</b> |
| Remaining allotment rights from 2020 accounts (Note 15)                    | —                  | —              | 200,992                              | —                | —                     | —                                      | —                         | <b>200,992</b>   |
| To dividends   | —                  | —              | —                                    | —                | —                     | —                                      | (341,716)                 | <b>(341,716)</b> |
| Treasury shares (Note 15.04)   | (5,449)            | (128,847)      | (282,051)                            | (55,905)         | —                     | —                                      | —                         | <b>(472,252)</b> |
| Treasury shares through investees  | —                  | —              | (2,390)                              | —                | —                     | —                                      | (2,186)                   | <b>(4,576)</b>   |
| Change in the consolidation perimeter and other effects of a lesser amount | —                  | —              | (52,608)                             | —                | —                     | —                                      | (103,453)                 | <b>(156,061)</b> |
| <b>Balance at 31 December 2021</b>   | <b>152,332</b>     | <b>366,379</b> | <b>3,633,014</b>                     | <b>(691,916)</b> | <b>(170,918)</b>      | <b>3,045,413</b>                       | <b>693,899</b>            | <b>7,028,203</b> |

The accompanying notes 01 to 38 and Appendices I to III are an integral part of the consolidated statement of changes in equity for the year ended 31 December 2021.

**ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021**

|           |   | Note                      | Thousands of Euros |                    |
|-----------|---|---------------------------|--------------------|--------------------|
|           |   |                           | 2021               | 2020               |
|           |   |                           |                    | (*)                |
| <b>A)</b> | <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                           | <b>203,141</b>     | <b>1,141,688</b>   |
| 1         | Profit before tax   |                           | 57,502             | 904,423            |
| 2         | Adjustments for:  |                           | 1,425,478          | 855,337            |
|           | Depreciation and amortisation   |                           | 479,446            | 876,318            |
|           | Other adjustments to profit (net)   | 03.23                     | 946,032            | (20,981)           |
| 3         | Changes in working capital  |                           | (1,303,175)        | (704,399)          |
| 4         | Other cash flows from operating activities:   |                           | 23,336             | 86,327             |
|           | Interest paid   | 17, 18 and 19             | (386,596)          | (424,990)          |
|           | Dividends received  |                           | 466,765            | 739,532            |
|           | Interest received   | 03.23                     | 108,976            | 133,527            |
|           | Income tax (paid) / received  | 26                        | (165,809)          | (361,742)          |
| <b>B)</b> | <b>CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES</b>                             | 04, 05, 06 and 07         | <b>3,397,643</b>   | <b>292,311</b>     |
| 1         | Investment paid:  |                           | (690,715)          | (1,704,176)        |
|           | Group companies, associates and business units                                      |                           | (202,327)          | (486,643)          |
|           | Property, plant and equipment, intangible assets, projects and property investments |                           | (386,207)          | (876,461)          |
|           | Other financial assets  |                           | (102,181)          | (341,543)          |
|           | Other assets  |                           | —                  | 471                |
| 2         | Divestment:   | 03, 04, 05, 06, 07 and 09 | 4,088,358          | 1,996,487          |
|           | Group companies, associates and business units                                      |                           | 3,753,996          | 1,571,201          |
|           | Property, plant and equipment, intangible assets, projects and investment property  |                           | 48,149             | 59,867             |
|           | Other financial assets  |                           | 282,134            | 362,671            |
|           | Other assets  |                           | 4,079              | 2,748              |
| <b>C)</b> | <b>CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>                             |                           | <b>(770,952)</b>   | <b>(1,059,358)</b> |
| 1         | Equity instrument proceeds / (and payment):   | 02.02.f and 15            | (484,692)          | (1,173,323)        |
|           | Acquisition   |                           | (493,055)          | (1,193,042)        |
|           | Disposal  |                           | 8,363              | 19,719             |
| 2         | Liability instrument proceeds / (and payment):                                      | 17, 18 and 19             | 272,034            | 1,904,473          |
|           | Issue   |                           | 4,634,213          | 7,785,734          |
|           | Refund and repayment  |                           | (4,362,179)        | (5,881,261)        |
| 3         | Dividends paid and remuneration relating to other equity instruments:               | 15.01                     | (396,012)          | (490,115)          |
| 4         | Other cash flows from financing activities:   |                           | (162,282)          | (1,300,393)        |
|           | Payment of operating lease principal  |                           | (232,214)          | (379,716)          |
|           | Other financing activity proceeds and payables                                      | 03.23                     | 69,932             | (920,677)          |
| <b>D)</b> | <b>EFFECT OF CHANGES IN EXCHANGE RATES</b>  |                           | <b>342,779</b>     | <b>(424,817)</b>   |
| <b>E)</b> | <b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                       |                           | <b>3,172,611</b>   | <b>(50,176)</b>    |
| <b>F)</b> | <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>                         |                           | <b>8,080,808</b>   | <b>8,130,984</b>   |
| <b>G)</b> | <b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>                               |                           | <b>11,253,419</b>  | <b>8,080,808</b>   |

|  |                |                  |
|--|----------------|------------------|
| 1. CASH FLOWS FROM OPERATING ACTIVITIES            | (370,532)      | 264,356          |
| 2. CASH FLOWS FROM INVESTING ACTIVITIES            | (149,403)      | (18,138)         |
| 3. CASH FLOWS FROM FINANCING ACTIVITIES            | 718,252        | (612,187)        |
| <b>NET CASH FLOWS FROM DISCONTINUED OPERATIONS</b> | <b>198,317</b> | <b>(365,969)</b> |

| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD              |  |                   |                  |
|---|--|-------------------|------------------|
| Cash and banks  |  | 10,432,399        | 6,779,266        |
| Other financial assets                                      |  | 821,020           | 1,301,542        |
| <b>TOTAL CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b> |  | <b>11,253,419</b> | <b>8,080,808</b> |

(\*) Restated.

The accompanying notes 01 to 38 and Appendices I to III are an integral part of the consolidated statement of cash flows for the year ended 31 December 2021.

# ACS, Actividades de Construcción y Servicios, S.A. and Subsidiaries

Notes to the Consolidated Annual Accounts for the year ended 31 de diciembre de 2021

## 01. Group activity

ACS, Actividades de Construcción y Servicios, S.A., the Parent Company, is public company incorporated in Spain in accordance with the Spanish Public Companies Act [Ley de Sociedades Anónimas] and its registered office is at Avenida de Pío XII, 102, 28036 Madrid.

In addition to the transactions it carries out directly, ACS, Actividades de Construcción y Servicios, S.A. is the head of a group of companies with diverse activities, including construction (both civil construction and building), industrial services (both industry support services and integrated projects), services (for individuals and buildings, cities and their surroundings) and concessions, which make up the ACS Group. ACS, Actividades de Construcción y Servicios, S.A. is therefore obliged to prepare, in addition to its own Separate Annual Accounts, the Consolidated Annual Accounts for the ACS Group, which include subsidiaries, interests in joint ventures and investments in associates.

In accordance with its corporate purpose, the business activities of ACS, Actividades de Construcción y Servicios, S.A., the Parent Company of the ACS Group, are as follows:

1. The business of constructing all kinds of public and private works, and the provision of services for the upkeep, maintenance and operation of motorways, highways, roads and, in general any type of public or private roads and any other type of works, and any kind of industrial, commercial and financial actions and operations that bear a direct or indirect relationship to these operations.
2. The promotion, construction, restoration and sale of housing developments and all kinds of buildings intended for industrial, commercial or residential purposes, either as employees or as independent professionals. The upkeep and maintenance of works, facilities and services, whether urban or industrial.
3. The management and execution of all manner of works, facilities, assemblies and maintenance related to power plants and electricity production, transmission and distribution lines, substations, transformation, interconnection and switching centres, generation and conversion stations, electric, mechanical and track installations for railways, metros and light rail, railway, light rail and trolleybus electrification, electric dam installations, purifying plants, drinking water treatment plants, wharfs, ports, airports, docks, ships, shipyards, platforms, flotation elements, and any other elements for diagnostics, tests, security and protection, controls for interlocking, operating, metering — either directly or remotely — for industries and buildings and those suited to the above-mentioned facilities, electrification, public lighting and illumination, electric installations in mines, refineries and explosive environments; and in general all manner of facilities related to the production, transmission, distribution, upkeep, recovery and use of electricity in all its stages and systems, and the operation, repair, replacement and upkeep of their components. Control and automation of all manner of electric networks and installations, remote controls and computer equipment required for the management, computerisation and rationalisation of all kinds of energy consumption.
4. The management and execution of all manner of works, facilities, assemblies and maintenance related to the electronics of systems and networks for telephone, telegraph, signalling and S.O.S. communications, civil protection, defence and traffic, voice and data transmission and use, measurements and signals, and propagation, broadcast, repetition and reception of all kinds of waves, antennas, relays, radio-links, navigation aids, equipment and elements required for the execution of such works, assemblies and facilities.
5. The management and execution of all manner of works, facilities, assemblies and maintenance related to the development, production, transformation, storage, transmission, channelling, distribution, use, metering and maintenance of any other kind of energy and energy product, and of any other energy

that may be used in the future, including the supply of special equipment, elements required for installation and assembly, and all manner of materials.

6. The management and execution of all manner of works, assemblies, facilities and maintenance of hydroelectric works to develop, store, raise, drive or distribute water, and its piping, transport and distribution, including water and gas treatment facilities.
7. The management and execution of all manner of works, assemblies, facilities and maintenance for developing, transporting, channelling and distributing liquid and solid gases for all kinds of uses.
8. The management and execution of all manner of works, assemblies, facilities and maintenance of ventilation, heating, air conditioning and refrigeration works and works to improve the environment, for all kinds of uses.
9. The management and execution of all manner of works, facilities, assemblies and maintenance related to cable cars, gondola lifts, chair lifts and aerial lifts for both passenger and material transport by means of systems of cables or any type of mechanical element. The retrieval of ships and submerged elements, maritime salvages, ship breaking, naval fleet repairs, repairs and assembly of engines and mechanical elements for ships, and underwater work and sale of aquatic and sports material.
10. The manufacture, transformation, processing, handling, repair, maintenance and all manner of operations of an industrial nature for commercialisation related to machinery, elements, tools, equipment, electric protection material, bare and insulated conductors, insulators, metal fittings, machines, tools and auxiliary equipment for assemblies and installation of railways, metros and light trains, power plants, and electricity transmission and distribution lines and networks and for telephone and telegraph communications, telecommunication, security, traffic, telematics and voice and data transmission systems; of elements and machines for the development, transformation, transmission and use of all kinds of energies and energy products; of fluid and gas lift pumps, piping and other elements, mechanisms, accessory instruments, spare parts and materials required for execution and performance of any industrial, agricultural, naval, transport, communication and mining works, facilities and assemblies and others listed in the preceding paragraphs. The production, sale and use of electricity and of other energy sources and the performance of studies relating to them, and the production, exploration, sale and use of all manner of solid, liquid or gaseous primary energy resources, including specifically all forms and kinds of hydrocarbons and natural, liquefied or any other type of gas. Energy planning and rationalisation of the use of energy and combined heat and power generation. The research, development and exploitation of communications and information technologies in all their facets.
11. The manufacture, installation, assembly, construction, supply, maintenance and commercialisation of all kinds of products and elements pertaining to or derived from concrete, ceramics, resins, varnishes, paints, plastics or synthetic materials; and metal structures for industrial plants and buildings, bridges, towers and supports of metal or reinforced concrete or any synthetic material for all manner of communications and electric power transmission or distribution, or any other class of energy material or product related to all types of energy.
12. The manufacture, preparation, handling and finishing, diagnosis, treatment and impregnation for protection and preservation and sale of wood in general, and especially of posts used for electric, telephone and telegraph lines, impregnation or servicing for mine and gallery timbering, building supports, construction woodwork, crossties for railways and barricades, and the production and commercialisation of antiseptic products and running of procedures for preserving wood, elements, tools and equipment of this nature. The acquisition, provision, application and use of paints, varnishes, coverings, plating and, in general, construction materials.
13. The management and execution of reforestation and agricultural and fishery restocking works, and maintenance and improvement work. Landscaping, planting, revegetation, reforestation, maintenance and conservation of parks, gardens and accessory elements.

14. The manufacture, installation, distribution and use in any way of all manner of ads and advertising supports. The design, construction, fabrication, installation, maintenance, cleaning, upkeep and advertising use of all manner of street furniture and similar elements.
15. The provision of all manner of public and private services of an urban nature, including the execution of any necessary works and facilities, either by administrative concession or leasing. The treatment, recycling and recovery of all kinds of urban, urban-similar, industrial and sanitary waste; the treatment and sale of waste products, and the management and operation of waste treatment and transfer plants. Drafting and processing of all manner of environment-related projects.
16. The cleaning services for buildings, constructions and works of any kind, of offices, commercial premises and public places. Preparation, upkeep, maintenance, sterilisation, disinfection and extermination of rodents. Cleaning, washing, ironing, sorting and transportation of clothing.
17. Furniture assemblies and installations, including tables, shelves, office material, and similar or complementary objects.
18. Transports of all kinds, especially ground transportation of passengers and merchandise, and transport-related activities. Management and operation, and provision of auxiliary and complementary services, of all manner of buildings and properties or complexes for public or private use, intended for use as service areas or stations, recreational areas, and bus or intermodal transportation stations.
19. The provision of integral health care and social assistance services by qualified personnel (physicians, psychologists, educators, university graduates in nursing, social workers, physical therapists and therapists) and performance of the following tasks: home care service; tele-home care and social health care; total or partial running or management of homes, day care centres, therapeutic communities and other shelters and rehabilitation centres; transportation and accompaniment of the above-mentioned groups; home hospitalisation and medical and nursing home care; supply of oxygen therapy, gas control, electro-medicine, and associated activities.
20. Provision of auxiliary services in housing developments, urban properties, industrial facilities, roadway networks, shopping centres, official agencies and administrative departments, sports or recreational facilities, museums, fairgrounds, exhibition galleries, conference and congress halls, hospitals, conventions, inaugurations, cultural and sports centres, sporting, social and cultural events, exhibits, international conferences, general shareholders' and owners' association meetings, receptions, press conferences, teaching centres, parks, farming facilities (agricultural, livestock and fisheries), forests, rural farms, hunting reserves, recreational and entertainment areas, and in general all kinds of properties and events, by means of porters, superintendents, janitors, ushers, guards or controllers, console operators, auditorium personnel, concierges, receptionists, ticket clerks (including ticket collection), telephone operators, collectors, caretakers, first aid personnel, hostesses and similar personnel or personnel who complement their functions, consisting of the maintenance and upkeep of the premises, and attention and service to neighbours, occupants, visitors and/ or users, by undertaking the appropriate tasks, excluding in all cases those which the law reserves for security firms. Collection and tallying of cash, and the making, collection and charging of bills and receipts. The development, promotion, exhibition, performance, acquisition, sale and provision of services in the field of art, culture and recreation, in their different activities, forms, expressions and styles.
21. Provision of emergency, prevention, information, telephone switchboard, kitchen and dining hall services. Opening, closing and custody of keys. Turning on and off, running, supervision, maintenance and repair of engines and heating and air conditioning, electricity and lift installations, water, gas and other supply pipes, and fire protection systems. The operation of rapid communication systems with public assistance services, such as police, firemen, hospitals and medical centres. Fire fighting and prevention services in general, in woodlands, forests, rural farms, and industrial and urban facilities.
22. Integral management or operation of public or private educational or teaching centres, and surveillance, service, education and control of student bodies or other educational collectives.



23. Reading of water, gas and electricity meters, maintenance, repair and replacement of these meters, monitoring and transcription of readouts, meter inspection, data acquisition and updating, and instalment of alarms. Temperature and humidity measurements on roadways and, in general, all kinds of properties and real estate, and public and private facilities, providing all the controls required for proper upkeep and maintenance of these facilities or the goods deposited or safeguarded in them.
24. Handling, packing and distribution of food or consumer products; processing, flavouring and distribution of food for own consumption or supply to third parties; servicing, replacement and maintenance of equipment, machinery and dispensing machines of the mentioned products; and participation in operations with raw materials, manufactured goods and supplies.
25. Provision of ground services to passengers and aircraft. Integral logistic freight services, such as: loading, unloading, stowing and unstowing, transport, distribution, placement, sorting, warehouse control, inventory preparation, replacement, control of warehouse stocks and storage of all kinds of merchandise, excluding the activities subject to special legislation. Management and operation of facilities for the distribution of merchandise and goods in general, and especially perishable products, such as fish markets and wholesale and retail markets. Reception, docking, mooring and service connections to boats.
26. Direct advertising services, postage and mailing of printed advertising and publicity material and, in general, all kinds of documents and packages, on behalf of the clients.
27. Management, operation, administration, maintenance, upkeep, refurbishment and fitting out of all kinds of concessions in the broadest sense of the word, including those that are part of the concession operator's shareholders and those that have any type of contractual relation to carry out any of the above-listed activities.
28. The acquisition, holding, use, administration and disposal of all manner of marketable securities for its own account, excluding activities that special legislation, and in particular the legislation on the stock market, attributes solely to other entities.
29. To manage and administer fixed-income and equity securities of companies not resident in Spain, through the related organisation of the appropriate material and human resources in this connection.
30. Preparation of all manner of studies, reports and projects, and entering into contracts concerning the activities indicated in this article, and supervision, management and consulting in their execution.
31. Occupational training and recycling of people who provide the services described in the preceding points.

## **02. Basis of presentation of the Consolidated Annual Accounts and basis of consolidation**

### **02.01. Basis of presentation**

The Consolidated Annual Accounts of the ACS Group for 2021 were prepared:

- By the Parent Company's directors, at the Board meeting held on 24 March 2022.
- In accordance with International Financial Reporting Standards (IFRSs), as adopted by the European Union, in conformity with Regulation (EC) No 1606/2002 of the European Parliament and of the Council and subsequent amendments and in accordance with the format and labelling requirements set out in Commission Delegated Regulation (EU) 2019/815. The consolidation bases and the principal accounting policies and measurement bases applied in preparing the Group's Consolidated Annual Accounts for 2021 are summarised in Notes 02 and 03.

- Taking into account all the mandatory accounting principles and rules and measurement bases with a material effect on the Consolidated Annual Accounts, and the alternative treatments permitted by the relevant standards in this connection, which are specified in Note 03 (Accounting policies).
- So that they present fairly the Group's consolidated equity and financial position at 31 December 2021 and the results of its operations, the changes in consolidated equity and the consolidated cash flows in the year then ended.
- On the basis of the accounting records kept by the Parent Company and by the other Group companies.

The consolidation bases applied in 2021 are consistent with those applied in the 2020 Consolidated Annual Accounts.

Notwithstanding the above, as a result of the ongoing situation caused by the outbreak of Covid-19 in March 2020, raising questions about how markets will perform, the relevant accounting estimates and significant judgements made in the preparation of the ACS Group's Consolidated Annual Accounts are affected by a greater degree of uncertainty. Therefore, the effects on the ACS Group's Consolidated Annual Accounts have been assessed and analysed and are set out below in the following note.

### Effects of Covid-19

On 11 March 2020, the World Health Organization declared the Coronavirus Covid-19 outbreak to be a pandemic, due to its rapid spread around the world, affecting more than 150 countries. This situation continues to have a substantial impact on the global economy due to the interruption or slowdown of supply chains and the significant increase in economic uncertainty, reflected in increased volatility of asset prices and exchange rates and a reduction of long-term interest rates. The Group's directors and management are constantly monitoring how the situation is developing in terms of both financial and non-financial considerations.

In Australia, as part of the Government's response to pressure from the Covid-19 delta variant, there were temporary closures during the third quarter of 2021 in New South Wales, Victoria and New Zealand. The financial expense includes the impacts of revenue and margin from the closings and are reflected in the financial expense for the year. The costs related to Covid-19 have been recovered from customers or mitigated through cost reduction strategies.

Although most of the ACS Group's operations were classified as essential services with a focus on business continuity, the coronavirus pandemic has affected contract activity, causing delays in the awarding of new works or services and a slowdown in revenue in all our activities, both in Spain and in the other countries where we operate.

To increase liquidity reserves during the Covid-19 pandemic, in 2020 the various ACS Group companies took out new credit facilities or drew down on the credit facilities in the different countries in which they operate. ACS, Actividades de Construcción y Servicios, S.A. had liquidity in excess of EUR 2,700 million in 2021. Likewise, in 2021 Hochtief and Cimic issued bonds with a term of 8 years in the amount of EUR 500 million and EUR 625 million, respectively, which strengthens the Group's liquidity position.

As the pandemic continues to develop, the ACS Group continues to monitor the impact that Covid-19 could have on operating and financial performance in the activities of the ACS Group's various divisions. Although the current situation caused by the Covid-19 pandemic raises uncertainty as to how the markets will perform and develop, the Group is highly diversified in terms of its activities and location in developed regions with stable political frameworks, and has a very significant backlog (see Note 27.02) amounting to EUR 67,262 million, equivalent to approximately 26 months considering the current rate of sales.

### Comparative information

The information contained in these Consolidated Annual Accounts of the ACS Group for the year ended 31 December 2020 is presented solely for comparative purposes with each item in the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive

income, the consolidated statement of changes in equity, the consolidated statement of cash flows and the notes of the Consolidated Annual Accounts for 2021. The effects of Covid-19 should be taken into account when comparing the information (see Note 02.01). As a result of the sale of most of the Industrial Services Division to Vinci, described in Note 03.09, the comparative information for 2020 included together with the consolidated income statement and the consolidated statement of cash flows differs from that included in the Annual Accounts of 31 December 2020 approved on 7 May 2021 by the shareholders at the Annual General Meeting (see Note 03.09).

The explanatory notes include events or changes that might appear significant in explaining changes in the financial position and consolidated results of the ACS Group since the Group's last Consolidated Annual Accounts for 2020.

The ACS Group's Consolidated Annual Accounts for 2020, (IFRSs as adopted by the European Union) were approved by the shareholders at the Annual General Meeting of ACS, Actividades de Construcción y Servicios, S.A. held on 7 May 2021.

The ACS Group's Consolidated Annual Accounts for 2021 have not yet been approved by the shareholders at the Annual General Meeting. However, the Parent Company's Board of Directors considers that these consolidated annual accounts will be approved without any material changes.

#### Responsibility for the information and estimates made

The information in these Consolidated Annual Accounts is the responsibility of the directors of the Group's Parent Company.

The Consolidated Annual Accounts were prepared from the accounting records for 2021 of ACS, Actividades de Construcción y Servicios, S.A. and of the companies included in the consolidation perimeter.

In preparing this Consolidated Annual Accounts for the ACS Group for the year ended 31 December 2021, estimates were occasionally made by the senior executives of the Group and of the consolidated entities, in order to quantify certain of the assets, liabilities, income, expenses and obligations reported in these annual accounts:

- The assessment of impairment losses on certain assets (Notes 03.01, 03.06 and 10) and, in particular, the assumptions and hypotheses considered in the analysis of the recoverability of the investment in Abertis (Note 09).
- The fair value of the assets acquired and of the liabilities assumed in business combinations (Note 02.02.f) and the assignment of the Purchase Price Allocation in acquisitions.
- The measurement of goodwill (Note 03.01).
- The recognition of earnings in construction contracts (Note 03.16.01).
- The amount of certain provisions (Note 03.13).
- The assumptions used in the calculation of liabilities and obligations to employees (Note 03.12).
- The market value of derivatives (such as equity swaps, interest rate swaps, forward purchase contracts, put option granted to Elliott on the interest in Thiess, etc.) mentioned in Note 22.
- The useful life of the intangible assets and property, plant and equipment (Notes 03.02 and 03.03).
- The recoverability of deferred tax assets (Note 26.05).
- The evaluation and analysis carried out by ACS Group Management in relation to the main implications that Covid-19 continues to have.
- The consideration of the sale of most of the Industrial Services Division as a discontinued operation.
- Environmental issues and their effect on assumptions of accounting estimates and judgements related to financial information (Note 21.08).

Although these estimates were made on the basis of the best information available at the date of preparation of these Consolidated Annual Accounts on the events analysed, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively, recognising the effects of the change in estimates in the related future Consolidated Annual Accounts.

#### Changes in accounting estimates and policies and correction of fundamental errors

##### – Changes in accounting estimates

The effect of any change in accounting estimates is recognised in the same income statement line item as that in which the expense or income measured using the previous estimate had been previously recognised.

##### – Changes in accounting policies and correction of fundamental errors

In accordance with IAS 8, the effect of any change in accounting policies and of any correction of fundamental errors is recognised as follows: the cumulative effect at the beginning of the year is adjusted in reserves, whereas the effect on the current year is adjusted in profit or loss. Also, in these cases, the financial data for the comparative year presented together with those for the current year are restated.

No errors were corrected in the Consolidated Annual Accounts for the year ended 31 December 2021. There were also no significant changes in accounting policies.

Except for the above and the entry into force of new accounting standards, the bases of consolidation applied in 2021 are consistent with those applied in the Consolidated Annual Accounts for 2020 (see Note 03.24).

#### Currency

The euro is the currency in which the Consolidated Annual Accounts are presented. Details of sales in the main countries in which the Group operates are set out in Note 25.

#### **02.02. Basis of consolidation**

##### a) Balances and transactions with Group companies and associates

The significant intra-Group balances and transactions are eliminated on consolidation. Accordingly, the gains obtained are eliminated in line with the percentage of ownership in the case of the associates and in full in the case of the fully consolidated companies.

However, in accordance with the criteria provided by IFRIC 12, balances and transactions relating to construction projects performed by companies of the Construction Division and Industrial Services Division for concession operators are not eliminated on consolidation since these transactions are considered to have been carried out for third parties as the projects are being completed.

##### b) Standardisation of items

In order to uniformly present the various items comprising these Consolidated Annual Accounts, accounting standardisation criteria were applied to the separate annual accounts of the companies included in the consolidation perimeter.

In 2021 and 2020 the reporting date of the annual accounts of all the companies included in the consolidation perimeter was the same or was temporarily brought into line with that of the Parent Company.

## c) Subsidiaries

"Subsidiaries" are defined as companies over which the ACS Group has the capacity to exercise control, i.e., in accordance with IFRS 10, when it has the power to direct their relevant activities, it is exposed to variable returns as a result of its involvement with the investee and is able to use this power to affect its own returns, either directly or through other companies it controls.

The annual accounts of the subsidiaries are fully consolidated with those of the Parent Company. Where necessary, adjustments are made to the annual accounts of the subsidiaries to adapt the accounting policies used to those applied by the Group.

As at 31 December 2021, the ACS Group had an effective ownership interest of less than 50% in companies considered to be subsidiaries, because it controls the majority of the voting rights of these companies, the most representative of which have an asset volume of more than EUR 4 million: Piques y Túneles, S.A., Consorcio Embalse Chironta, S.A., Consorcio Constructor Hospital de Quellón, S.A. and Consorcio Constructor Puente Santa Elvira, S.A. (these four companies were in the same situation as at 31 December 2020). The ACS Group fully consolidates these investees as it has the power, the rights to variable returns and the ability to affect these returns through the power it exercises.

As at 31 December 2021, the main companies of the ACS Group with dividend rights of more than 50% that are not fully consolidated include: Road Management (A13) Plc. and Benisaf Water Company, Spa. (these companies were in the same situation as at 31 December 2020).

This circumstance arises because the control over these companies is exercised by other shareholders or because decisions require the affirmative vote of another or other shareholders and, therefore, they are accounted for using the equity method. The relevant decisions vary depending on each resolution but, in general, the other shareholder can veto any decision regarding (i) appointment, renewal, removal or replacement of the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Chief Operating Officer (COO), (ii) approval of distribution of dividends or reserves not approved in the business plan, (iii) any change in the business activity, (iv) approval of the business plan and approval of the annual budget and/or final investment decision for a development project, (v) refinancing or restructuring or rebalancing agreements, (vi) changes in financial policies (hedging, leverage, guarantees, etc.), (vii) approval of the annual accounts and allocation of profit or loss, etc.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. a discount on acquisition) is credited to profit or loss on the acquisition date. The interest of non-controlling shareholders is stated at their proportion of the fair values of the assets and liabilities recognised.

Also, the share of third parties of:

- The equity of their investees is presented within the Group's equity under "Non-controlling interests" in the consolidated statement of financial position.
- The profit for the year is presented under "Profit/(loss) attributable to non-controlling interests" and "Profit/(loss) from discontinued operations attributable to non-controlling interests" in the consolidated income statement and in the consolidated statement of changes in equity of the Group.

The results of subsidiaries acquired during the year are included in the consolidated income statement from the date of acquisition to year-end. Similarly, the results of subsidiaries disposed of during the year are included in the consolidated income statement from the beginning of the year to the date of disposal.

Appendix I to these notes to the consolidated annual accounts details the subsidiaries and information related to them.

Section f) of this Note contains information on acquisitions and disposals, and increases and decreases in ownership interest.

#### d) Joint arrangements

The Group recognises in the consolidated annual accounts its assets, including its share of jointly controlled assets; its liabilities, including its share of liabilities incurred jointly with the other operators; the revenue obtained from the sale of its share of the production resulting from the joint operation, its share of the revenue obtained from the sale of the production resulting from the joint operation; and its expenses, including its share of the joint expenditure.

Within the joint arrangements in which the ACS Group operates, mention should be made of temporary joint ventures and similar entities (various types of joint ventures) abroad, which are entities through which cooperation arrangements are entered into with other venturers in order to carry out a project or provide a service for a limited period of time.

The assets and liabilities assigned to these types of entities are recognised in the consolidated statement of financial position, classified according to their specific nature on the basis of the existing percentage of ownership. Similarly, income and expenses arising from these entities is recognised in the consolidated income statement on the basis of their specific nature and in proportion to the Group's ownership interest.

Notes 08 and 09 contain relevant information on material entities.

#### e) Associates

The companies over which the ACS Group maintains significant influence or joint control are accounted for using the equity method in those cases where they do not meet the requirements of the IFRS 11 to be classified as joint arrangements.

Exceptionally, the following entities are not considered to be Group associates since they do not have a significant influence or are fully inoperative and irrelevant for the Group as a whole.

Investments in associates are accounted for using the equity method, whereby they are initially recognised at acquisition cost. Subsequently, on each reporting date, they are measured at cost, plus the changes in the net assets of the associate based on the Group's percentage of ownership. The excess of the cost of acquisition over the Group's share of the fair value of the net assets of the associate at the date of acquisition is recognised as goodwill. The goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the fair value of the net assets of the associate over acquisition cost at the acquisition date is recognised in the consolidated income statement.

The profit, net of taxes, of associates is included in the Group's consolidated income statement under "Ordinary results of companies accounted for using the equity method" for all those associates and joint ventures whose activity is part of the same operational business of the Group, and under "Non-ordinary results of companies accounted for using the equity method" for those whose activity is not part of the Group's operational business (after an individual analysis has been carried out on each of them), based on their percentage of ownership. Previously, the appropriate adjustments are made to take into account the depreciation of the depreciable assets based on their fair value at the date of acquisition.

Any losses in associates that correspond to the Group are limited to the value of the net investment, except in those cases where legal or constructive obligations had been assumed by the Group or it has made payments on behalf of the associates. For the purpose of recognising impairment losses in associates, the net investment is considered to be the result of adding the amount corresponding to any other item that, in substance, forms part of the investment in the associates to the carrying amount resulting from having been accounted for using the equity method. Any excess losses on the investment in equity instruments is applied to the other items in reverse order to the priority in liquidation. Any profit subsequently obtained by the associates, in which the recognition of losses was limited to the value of the investment, is recognised if it exceeds the losses not previously recognised.

Note 09 contains relevant information on material entities.

#### f) Changes in the consolidation perimeter

The main changes in the consolidation perimeter of the ACS Group (consisting of ACS, Actividades de Construcción y Servicios, S.A. and its Subsidiaries) in the year ended 31 December 2021 are detailed in Appendix III.

#### Acquisitions, sales, and other corporate transactions

##### Acquisitions

In 2021 the acquisition of a 5% interest in Servicios Compresión de Gas CA-KU-A1, S.A.P.I. de C.V., which is recognised under "Non-current assets held for sale" (see Note 03.09.01), is noteworthy of mention.

On 24 May 2021, Cimic announced its intention to acquire the shares of the holding in Devine Limited that it did not already own through a takeover bid at a price of AUD 0.24 per share. On 9 July, Cimic increased its shareholding in Devine to 90% and exercised its right to the remaining Devine shares through mandatory acquisition. The total consideration for the purchase was AUD 15.6 million (EUR 9.9 million). This transaction has been treated as a transaction with shareholders in accordance with IFRS 10, and accumulated losses previously attributable to non-controlling interests of AUD 69.1 million (EUR 41 million) have been transferred to the Parent Company.

In 2020, the holding in Hochtief and Cimic increased through the investments made and the treasury share programmes approved by these companies. The holding in Hochtief therefore increased from 50.4% at 31 December 2019 to 52.2% at 30 June 2020 as a result of the purchase of treasury shares by Hochtief. In addition, Hochtief purchased 8,962,059 Cimic shares in 2020. Meanwhile, Cimic purchased treasury shares in the same period. The two transactions increased Hochtief's interest in Cimic from 72.8% at 31 December 2019 to 78.6% at 31 December 2020.

In addition, the remaining interest in Tonopah Solar Energy was acquired in 2020 and is now fully consolidated in the Consolidated Annual Accounts of the ACS Group.

##### Sales

The sale in 2021 of most of the Industrial Services Division mentioned in Note 03.09.02 is noteworthy. In addition, the Company sold its 50% interest held in the following transmission lines: Transmissora José Maria de Macedo de Electricidade, S.A., Giovanni Sanguinetti Transmissora de Energia, S.A., Veredas Transmissora de Electricidades, S.A., Sete Lagoas Transmissora de Energia, Ltda, Brilhante Transmissora de Energias, S.A. and Brilhante Transmissora de Energias 2, S.A. in Brazil, and all the photovoltaic plants of Bonete Fotovoltaica 1, S.L.U. and Central Solar Termoeléctrica de Cáceres, S.A.U. and Parque Eólico Las Tadeas, S.L. (see Note 29), which were considered to be assets held for sale.

In addition to that relating to the previous paragraph, Iridium sold 80% of its 33% interest in both the concession operator of the Toledo Hospital and in the operator of this hospital to BSIP Spain HoldCo, S.L. — a company managed by Brookfield — for a company value (100%) of approximately EUR 400 million, for a price of approximately EUR 58 million, and with capital gains of approximately EUR 29.8 million. (see Note 29).

Previously, on 30 June 2021, ACS, Actividades de Construcción y Servicios, S.A., through its subsidiary Vías y Construcciones, S.A., sold the shares representing the entire share capital of Continental Rail, S.A.U. to the French CMA CGM Group for a company value of EUR 19.9 million and with capital gains of EUR 14.8 million (see Note 29).

On 19 November 2021, Ventia Services Group Limited, a joint venture between Cimic and funds managed by Apollo Global Management, LLC, completed an initial public offering on the Australian Stock Exchange. As a result, 30% of Ventia's share capital was admitted to trading, of which 26% came from the issue of new

shares to finance an improvement in the debt structure and 4% from the sale of shares by Ventia's main shareholders (Cimic and Apollo). Cimic therefore retains a 32.8% interest in Ventia and, as the ACS Group no longer jointly controls Ventia, the investment has been reclassified from a joint arrangement to an associate. The partial disposal resulted in a profit before tax of AUD 60.3 million (EUR 38.2 million).

The total consideration received, net of transaction costs, amounted to EUR 60.2 million and included the non-cash consideration for the gain on the dilution of the Group's interest in Ventia after issuing the new shares. The cash consideration was received in 2021. The carrying amount of the portion sold amounted to EUR 21.5 million and comprises the portion of the Group's shares that were sold and a portion of the carrying amount of the investment in Ventia corresponding to the dilution caused by the issue of the new shares. The recycling of reserves as part of the transaction amounted to EUR 0.5 million.

In December 2020, the Group finalised an agreement with funds managed by Elliott for the acquisition by Elliott of a 50% interest in the share capital of Thiess, with the transaction being completed on 31 December 2020. The terms of the sale agreement meant that the ACS Group no longer controlled Thiess, but rather controls it jointly with Elliott and, therefore, the ACS Group derecognised the assets and liabilities of Thiess in the Consolidated Annual Accounts, and the remaining 50% of the interest held jointly with Elliott at 31 December 2020 was recognised again at its fair value based on the sale price (see Note 9).

The sale was recognised in accordance with the requirements of IFRS 10 as follows: the total consideration receivable, net of transaction costs, was EUR 1,980.9 million (AUD 3,148.8 million) which comprised: a cash consideration of AUD 2,016.8 million and non-cash consideration of AUD 1,132.0 million (fair value of the 50% retained interest), less the carrying amount of the net assets of Thiess of EUR 833 million, which included the derecognition of the portion allocated to the intangible assets from the initial consolidation of Hochtief (Purchase Price Allocation or PPA), and the portion of goodwill allocated to these assets in the amount of EUR 244.7 million (see Note 04.01), and the recycling of reserves of EUR 36.8 million, resulting in a profit before tax of EUR 1,111 million, which was recognised in 2020 under "Impairment and gains or losses on the disposal of non-current assets" in the consolidated income statement (see Note 29). The detail at 31 December 2020 is as follows:



|   | Millions of Euros |
|---|-------------------|
|   | 31/12/2020        |
| <b>Gain on disposal</b>                                       |                   |
| Total cash consideration                                      | 1,432             |
| Non-cash consideration  | 712               |
| Carrying amount on disposal                                   | (833)             |
| Recycling of reserves   | (37)              |
| <b>Gain of disposal of controlled entities before tax</b>     | <b>1,274</b>      |
| Transaction costs   | (163)             |
| <b>Net gain on disposal of controlled entities before tax</b> | <b>1,111</b>      |

**Carrying value of assets and liabilities of entities and businesses disposed**

|   |            |
|---|------------|
| Cash and cash equivalents                           | 80         |
| Trade and other receivables                         | 521        |
| Inventories: consumables and development properties | 86         |
| Deferred tax assets                                 | 36         |
| Property, plant and equipment                       | 791        |
| Intangibles   | 108        |
| Goodwill (Note 04.01)                               | 245        |
| Trade and other payables                            | (617)      |
| Provisions  | (91)       |
| Lease liabilities                                   | (305)      |
| Deferred tax liabilities                            | (8)        |
| Non-controlling interest                            | (13)       |
| <b>Net assets disposed</b>                          | <b>833</b> |

**Cash flow resulting from sale**

|   |              |
|---|--------------|
| Cash consideration net of transaction costs ( * ) | 1,399        |
| Cash disposed                                     | (80)         |
| <b>Net cash outflow</b>                           | <b>1,319</b> |

( \* ) As at 31 December 2020 certain transaction costs remain unpaid which are accrued in the trade and other payables balance.

The portion of this profit attributable to the recognition at fair value of the retained investment in the former subsidiary was EUR 712.1 million (AUD 1,132.0 million) (see Note 05); the portion of this profit attributable to the investment in the former subsidiary sold was EUR 712.1 million (AUD 1,132.0 million). Thiess' contribution from 1 January 2020 to 31 December 2020 to the Group's revenue was EUR 2,177 million and EUR 261 million to the Group's net income after tax and non-controlling interests. The breakdown of the profit and the effect on the statement of cash flows of Thiess was as follows:

|  | Millions of Euros |
|--|-------------------|
|  | 31/12/2020        |
| Revenue  | 2,177             |
| Expenses   | (1,842)           |
| Net finance costs  | (17)              |
| Share of profits/(losses) of associates and joint ventures entities    | 1                 |
| <b>Profit/(loss) before tax before gain/(loss) on sale of Thiess</b>   | <b>319</b>        |
| Gain/(loss) on sale of assets from Thiess                              | 1,111             |
| <b>Profit/(loss) before tax</b>  | <b>1,430</b>      |
| Income tax (expense)/benefit from Thiess before gain on sale of assets | (80)              |
| Income tax (expense)/benefit on gain on sale of assets                 | (383)             |
| <b>Income tax (expense)/benefit from Thiess</b>                        | <b>(463)</b>      |
| <b>Profit/(loss) for the year from Thiess</b>                          | <b>967</b>        |
| Profit attributed to non-controlling interests                         | (706)             |
| <b>Profit attributable to the shareholders of parent entity</b>        | <b>261</b>        |

|  | Millions of Euros |
|--|-------------------|
|  | 31/12/2020        |
| Net cash from/(used in) operating activities | 69                |
| Net cash from/(used in) investing activities | (245)             |
| Net cash from/(used in) financing activities | 135               |
| <b>Net cash flow for the year</b>            | <b>(41)</b>       |

On 28 April 2020, the Group sold to the Hermes Infrastructure fund, through Iridium Concesiones de Infraestructuras, S.A., 74% of its interest in a company that held all of the shares that the Group had in six shadow toll concessions, namely: In Catalonia, Eix Diagonal and Reus-Alcover; in Castilla La Mancha, Autovía de la Mancha; in Castilla y León, Autovía de los Pinares; in Navarre, Autovía del Pirineo; and in Galicia, Santiago-Brion. In addition to maintaining the remaining 26% interest, Iridium will continue the management and operation of the assets, through operating and maintenance contracts and service contracts with a very significant presence on the managing bodies of the companies and in the day-to-day management of the concessions. The operation was carried out with a company value (100%) of EUR 950 million and with capital gains on 74% of the EUR 40 million transferred, part of which had already been collected in 2019 (see Note 03.09).

In January 2020, an agreement was reached for the sale of the 50.1% that the Group still held at 31 December 2019 in Zero-E Euro Assets, S.A. and the sale of other photovoltaic energy projects also located in Spain (see Note 03.09). This agreement was amended in July 2020 with the creation of a joint venture that grouped together the projects already in operation and an initial package of those that were under development, of which Galp acquired a 75.01% interest for between EUR 300 million and EUR 350 million, while the ACS Group maintains a 24.99% interest with a joint governance structure. The remaining projects will be gradually included in the joint venture.

On 15 September 2020, an agreement was reached with the Galp Energía Group (Galp), consisting of the sale of shares representing 75% of the company's share capital, which focuses its investment on photovoltaic energy projects in Spain, both those that were in operation and those expected to be developed and operational from 2020 to 2023. This represents a total installed capacity of 2,930 MW and an initial disbursement by Galp of EUR 325 million.

The total value of the company, once all the projects have been completed, is estimated at some EUR 2,200 million, with total net profit for the Group of approximately EUR 330 million, of which EUR 250 million was collected in 2019.

### 03. Accounting policies

The principal accounting policies used in preparing the Group's Consolidated Annual Accounts, in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, were as follows:

#### 03.01. Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition.

Any excess of the cost of the investments in the consolidated companies over the corresponding underlying carrying amounts acquired, adjusted at the date of first-time consolidation, is allocated as follows:

- That attributable to specific assets and liabilities of the companies acquired, increasing the value of the assets (or reducing the value of the liabilities) whose market values were higher (lower) than the carrying amounts at which they had been recognised in their balance sheets and whose accounting treatment (amortisation, accrual, etc.) was similar to that of the same assets (liabilities) of the Group. That attributable to specific intangible assets, recognising it explicitly in the consolidated statement of financial position provided that the fair value at the acquisition date can be measured reliably.
- Goodwill is only recognised when it has been acquired for consideration and represents, therefore, a payment made by the acquirer in anticipation of future economic benefits from assets of the acquired company that are not capable of being individually identified and separately recognised.
- Goodwill acquired on or after 1 January 2004 is measured at acquisition cost and that acquired earlier is recognised at the carrying amount at 31 December 2003.

In all cases, at the end of each reporting period goodwill is reviewed for impairment (i.e., a reduction in its recoverable amount to below its carrying amount) and, if there is any impairment, the goodwill is written down with a charge to "Impairment and gains or losses on the disposal of non-current assets" in the consolidated income statement, since, as stipulated in IFRS 3, goodwill is not amortised.

An impairment loss recognised for goodwill must not be reversed in a subsequent period.

On disposal of a subsidiary or jointly controlled entity, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

Goodwill arising on the acquisition of companies with a functional currency other than the euro is translated to euros at the exchange rates prevailing at the date of the consolidated statement of financial position and changes are recognised as translation differences or impairment, as appropriate.

Any deficiency of the cost of investments in consolidated companies and associates below the related underlying carrying amounts acquired, adjusted at the date of first-time consolidation, is classified as negative goodwill and is allocated as follows:

- If the negative goodwill is attributable to specific assets and liabilities of the companies acquired, by increasing the value of the liabilities (or reducing the value of the assets) whose market values were higher (lower) than the carrying amounts at which they had been recognised in their balance sheets

and whose accounting treatment (amortisation, accrual, etc.) was similar to that of the same assets (liabilities) of the Group.

- The remaining amounts are presented under "Other results" in the consolidated income statement for the year in which the share capital of the subsidiary or associate is acquired.

### 03.02. Other intangible assets

Other intangible assets are identifiable non-monetary assets, without physical substance, which arise as a result of a legal transaction or which are developed internally by the consolidated companies. Only assets whose cost can be estimated reliably and from which the consolidated companies consider it probable that future economic benefits will be generated are recognised.

Intangible assets are measured initially at acquisition or production cost and are subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses. These assets are amortised over their useful life.

The ACS Group recognises any impairment loss on the carrying amount of these assets with a charge to "Impairment and gains or losses on the disposal of non-current assets" in the consolidated income statement. The criteria used to recognise the impairment losses on these assets and, where applicable, the recovery of impairment losses recognised in prior years are similar to those used for property, plant and equipment (Note 03.06).

#### 03.02.01. Development expenditure

Development expenditure is only recognised as an intangible asset if all of the following conditions are met:

- an identifiable asset is created (such as computer software or new processes);
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

Costs related to research and/or development activities are recognised as an expense as they are incurred.

The costs related to development activities have been capitalised to the extent that:

- The Group has technical studies that justify the viability of the production process;
- There is a commitment from the Group to complete the production of the asset in such a way that is found in the terms of sale (or internal use);
- The asset will generate sufficient economic benefits;
- The Group has the technical and financial (or other) resources to complete the development of the asset (or to use it internally) and has developed budgetary control and analytical accounting systems to track budgeted costs, the modifications introduced and the costs actually charged to the various projects.

The cost of assets generated internally by the Group is determined according to the same principles as those established in determining the production cost of inventories. The production cost is capitalised through payment of the costs attributable to the asset in the accounts under "Capitalised expenses of in-house work on assets" in the consolidated income statement (consolidated statement of comprehensive income).

The costs incurred in carrying out activities in which the costs attributable to the research phase cannot be clearly distinguished from the costs of the intangible assets' development phase are charged to profit or loss.

In addition, the costs incurred in carrying out activities that contribute to increasing the value of the various businesses in which the Group operates as a whole are recognised as expenses as they are incurred. Also,

in general, replacements or costs incurred subsequently on intangibles assets are recognised as an expense, unless the future economic benefits expected from the assets increase.

Internally generated intangible assets are amortised on a straight-line basis over their useful lives (over a maximum of five years). Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the year in which it is incurred.

#### 03.02.02. Administrative concessions

Concessions are recognised as assets when they have been acquired by the Company for a consideration (in the case of concessions that can be transferred) or for the amount of the expenses incurred to directly obtain the concession from the State or from the related public agency.

Concessions are generally amortised on a straight-line basis over the term of the concession.

In the event of non-compliance, leading to the loss of the concession rights, the carrying amount of the concession is written off.

#### 03.02.03. Computer software

The acquisition and development costs incurred in relation to the basic computer systems used in the Group's management are recognised with a charge to "Other intangible assets" in the consolidated statement of financial position.

Computer system maintenance costs are recognised with a charge to the consolidated income statement for the year in which they are incurred.

Computer software may be contained in a tangible asset or have physical substance and, therefore, incorporate both tangible and intangible elements. These assets are recognised as property, plant and equipment if they constitute an integral part of the related tangible asset, which cannot operate without that specific software.

Computer software is amortised on a straight-line basis over a period of between three and four years from the entry into service of each application.

#### 03.02.04. Other intangible assets

This heading basically includes the intangible assets related to the acquired companies' construction backlog and customer base, mainly of the Hochtief Group. These intangible assets are measured at fair value on the date of their acquisition and, if material, on the basis of independent external reports. The assets are amortised over the five to ten year period in which it is estimated that profit will be contributed to the Group.

### 03.03. *Tangible assets - Property, plant and equipment*

Land and buildings acquired for use in the production or supply of goods or services or for administrative purposes are stated in the consolidated statement of financial position at acquisition or production cost less any accumulated depreciation and any recognised impairment losses.

The Group recognises the interest costs directly attributable to the acquisition, construction or production of qualified assets as an increase in the value of the assets. Qualified assets are those that require a substantial period of time before they can be used or be subject to disposal. To the extent that the financing has been obtained specifically for the qualified asset, the amount of interest to be capitalised is determined on the basis of the actual costs incurred during the financial year minus the revenue obtained from the temporary investments made with those funds. The financing obtained specifically for a qualified asset is considered generic financing, once all the activities necessary to prepare the asset for its intended use or sale have been substantially completed. The amount of capitalised interest for generic financing is determined by applying a weighted average interest rate to the investment in qualified assets, without

exceeding the total interest costs incurred under any circumstances. All other interest costs are recognised in profit or loss in the year in which they are incurred.

Replacements or renewals of complete items that lead to a lengthening of the useful life of the assets or to an increase in their economic capacity are recognised as additions to property, plant and equipment, and the items replaced or renewed are derecognised.

Periodic maintenance, upkeep and repair expenses are recognised in profit or loss on an accrual basis as incurred.

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is calculated, using the straight-line method, on the basis of the acquisition cost of the assets less their residual value; the land on which the buildings and other structures stand has an indefinite useful life and, therefore, is not depreciated.

The period property, plant and equipment depreciation charge is recognised in the consolidated income statement and is basically based on the application of depreciation rates determined on the basis of the following average years of estimated useful life of the various assets:

|   | Years of estimated useful life |
|---|--------------------------------|
| Buildings   | 20-60                          |
| Plant and machinery   | 3-20                           |
| Other fixtures, tools and furniture                           | 3-14                           |
| Other items of tangible assets - property plant and equipment | 4-12                           |

Notwithstanding the above, the property, plant and equipment assigned to certain contracts for services that revert to the contracting agency at the end of the contract term are depreciated over the shorter of the contractual term or the useful life of the related assets.

Interest relating to the financing of non-current assets held under finance leases is charged to consolidated profit for the year using the effective interest method, on the basis of the repayment of the related borrowings. All other interest costs are recognised in profit or loss in the year in which they are incurred.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated income statement.

The future costs that the Group will have to incur in connection with the dismantling, closure and environmental restoration of certain facilities are capitalised to the cost of the asset, at present value, and the related provision is recognised. The Group reviews its estimates of these future costs on an annual basis, adjusting the amount of the provision recognised based on the related studies.

#### Identified right of use in leases

The ACS Group manages its owned and leased assets to ensure that there is a sufficient level of resources for it to meet its current obligations. The decision to lease or buy an asset depends on numerous considerations such as financing, risk management and operational strategies after the planned end to a project.

With the application of IFRS 16, the Group assesses whether a contract is or contains a lease based on the definition of a lease. Under IFRS 16, a contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration.

At the beginning of the lease, the Group recognises a right-of-use asset and a lease liability. The right-of-use asset consists of the amount of the lease liability; any lease payments made on or before the commencement date, less any lease incentives received; any initial direct costs incurred; and an estimate of the dismantling or restoration costs to be incurred, as indicated in the accounting policy on provisions.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date. The Group discounts lease payments at the appropriate incremental borrowing rate, unless it can reliably determine the lessor's implicit interest rate.

Outstanding lease payments consist of fixed payments, less any lease incentives receivable; variable lease payments that depend on an index or a rate, initially measured using the index or rate applicable at the commencement date; amounts expected to be payable under residual value guarantees; the exercise price of a purchase option that is reasonably certain to be exercised; and payments of penalties for terminating the lease, if the lease term reflects the exercise of the option to terminate the lease.

The Group measures the right-of-use assets at cost, less any accumulated depreciation and any accumulated impairment losses, adjusted for any remeasurement of the lease liability.

If the lease transfers ownership of the asset to the Group by the end of the lease term or if the right-of-use asset includes the purchase option price, the depreciation criteria indicated in the section on property, plant and equipment will be applied from the commencement date of the lease to the end of the useful life of the asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies the criteria for impairment of non-current assets set out in Note 03.06 to determine whether the right-of-use asset is impaired.

The Group measures the lease liability by increasing it to reflect the finance cost accrued, reducing it to reflect the lease payments made, and remeasuring the carrying amount to reflect any lease modifications or to reflect revised in-substance fixed lease payments.

Lessees must recognise interest expense on the lease liability separately from the depreciation charge for the right-of-use asset. Future lease payments (for the purpose of calculating the initial value of the liability) do not include payments that are variable and do not depend on an index (such as the CPI or an applicable lease price index) or a rate (such as the Euribor).

However, lessees are required to remeasure the lease liability in the event of certain events (such as a change in the term or lease payments). The amount of the remeasurement of the lease liability is recognised as an adjustment to the right-of-use asset. The Group recognises the variable lease payments that have not been included in the initial measurement of the liability in profit or loss for the period in which the events that triggered its payment occurred.

Variable lease payments were not material and 31 December 2021 or 2020.

The Group recognises remeasurements of the liability as an adjustment to the right-of-use asset, until it is reduced to zero and subsequently recognised in profit or loss.

The Group remeasures the lease liability by discounting the lease payments using a revised discount rate if there is a change in the lease term or a change in the expectation that the option to purchase the underlying asset will be exercised.

The Group remeasures the lease liability if there is a change in the amounts expected to be payable under a residual value guarantee or a change in the index or rate used to determine the payments, including a change to reflect changes in market rental rates following a market rent review.

The standard includes two exemptions to the recognition of lease assets and liabilities by lessees for which the expense is recognised in the income statement on an accrual basis:

- Leases of low-value assets: this refers to leases of little significance, i.e. those contracts whose underlying asset is attributed an insignificant value.
- Short-term leases: those contracts with an estimated lease term of 12 months or less.

Sublease income is not significant since the ACS Group companies operate on a lessee rather than a lessor basis. The Group does not have any material operating leases as a lessor.

As a result of the application of IFRS 16, in 2019 the Group performed a detailed analysis of all the leases it entered into, not considering contracts with a lease term of less than one year and for low-value assets; the main contracts were those associated with the lease of machinery, offices and transport elements in different geographical areas of operation.

There may also be some office leases that contain extension options that can be exercised by Group one year before the non-cancellable period of the lease. The Group considers these extensions in those cases where it is reasonably certain that the extension option will be exercised.

The ACS Group has chosen to implement the practical expedient provided for in the Amendments to IFRS 16 Leases - Rent concessions, which entered into force on 1 June 2020 and made it easier to account for Covid-19-related rent concessions.

#### Lessor's standpoint

When the Group acts as lessor, leases are accounted for in accordance with the following criteria:

##### *Finance leases:*

The Group recognises an account receivable for the amount equivalent to the present value of the lease payments, plus the unguaranteed residual value, discounted at the interest rate implicit in the lease (net investment of the lease). Initial direct costs are included in the initial measurement of the collection rights and reduce the amount of income recognised over the lease term. Finance income is charged to the income statement using the effective interest method.

At the beginning of the lease, the Group recognises as a lease receivable the amounts receivable related to the fixed payments, less any lease incentives payable; the variable lease payments that depend on an index or a rate, measured using the index or rate applicable at that date; any residual value guarantees provided to the lessor by the lessee, a party related to the lessee or any third party unrelated to the lessor that is financially capable of discharging the obligation; the exercise price of any purchase option, if the lessee is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

As mentioned previously, sublease income is not significant since the ACS Group companies operate on a lessee rather than a lessor basis. The Group does not have any material operating leases as a lessor.

#### **03.04. Non-current assets in projects**

This heading includes the amount of investments, mainly in transport, energy and environmental infrastructures that are operated by ACS Group subsidiaries and that are financed under a project finance arrangement (limited recourse financing applied to projects).

These financing structures are applied to projects capable in their own right of providing sufficient guarantees to the participating banks as regards the repayment of the funds borrowed to finance them. Each project is performed through specific companies in which the project assets are financed, on the one hand, through a contribution of funds by the developers, which is limited to a given amount, and on the other, generally representing a larger amount, through borrowed funds in the form of long-term debt. The debt servicing of these credit facilities or loans is supported mainly by the cash flows to be generated by the project in the future and by security interests in the project's assets.



These assets are valued at the costs directly allocable to construction incurred through their entry into operation (studies and designs, compulsory purchases, reinstatement of services, project execution, project management and administration expenses, installations and facilities and similar items) and the related portion of other indirectly allocable costs, to the extent that they relate to the construction period.

Also included under this heading are the borrowing costs incurred prior to the entry into operation of the assets arising from the borrowings arranged to finance the related projects. Capitalised borrowing costs arise from specific borrowings expressly used for the acquisition of an asset.

Upkeep and maintenance expenses that do not lead to a lengthening of the useful life of the assets or an increase in their production capacity are expensed currently.

The residual value, useful life and depreciation method applied to the companies' assets are reviewed periodically to ensure that the depreciation method used reflects the pattern in which the economic benefits arising from operating the non-current assets in projects are consumed.

This heading also includes the amount of the concessions to which IFRIC 12 has been applied. These mainly relate to investments in transport, energy and environmental infrastructures operated by ACS Group subsidiaries and financed under a project finance arrangement (limited recourse financing applied to projects), regardless of whether the demand risk is assumed by the group or the financial institution. In general, the loans are supported by security interests over the project cash flows.

The main features to be considered in relation to non-current assets in projects are as follows:

- The concession assets are owned by the concession grantor in most cases.
- The concession grantor controls or regulates the service offered by the concession operator and the conditions under which it must be provided.
- The assets are operated by the concession operator as established in the concession tender specifications for an established concession term. At the end of this period, the assets are returned to the grantor, and the concession operator has no right whatsoever over these assets.
- The concession operator receives revenue for the services provided either directly from the users or through the grantor.

In general, a distinction must be drawn between two clearly different phases: the first, in which the concession operator provides construction or upgrade services that are recognised under intangible or financial assets by reference to the stage of completion pursuant to IFRS 15 "Revenue from contracts with customers", and a second phase in which a series of maintenance or operating services are provided for the above infrastructure, which are recognised in accordance with IFRS 15 "Revenue from contracts with customers."

An intangible asset is recognised when the demand risk is borne by the concession operator and a financial asset is recognised when the demand risk is borne by the concession grantor since the operator has an unconditional contractual right to receive cash for the construction or upgrade services. These assets also include the amounts paid and to be paid in relation to the fees for the award of the concessions.

In certain mixed arrangements, the operator and the grantor may share the demand risk, although this is not common for the ACS Group.

All the infrastructures of the ACS Group concession operators were built by Group companies and no infrastructures were built by third parties. The revenue and expenses relating to infrastructure construction or improvement services are recognised at their gross amount (record of sales and associated costs), the construction margin being recognised in the Consolidated Annual Accounts.

## Intangible assets

For concessions classified as intangible assets, provisions for dismantling, removal and rehabilitation and any steps to improve and increase capacity, the revenue from which is contemplated in the initial contract, are capitalised at the start of the concession and the amortisation of these assets and the adjustment for provision discounting are recognised in profit or loss. Also, provisions to replace and repair the infrastructure are systematically recognised in profit or loss as the obligation is incurred.

Borrowing costs arising from the financing of the infrastructure are recognised in the period in which they are incurred and those accruing from the construction until the entry into service of the infrastructure are capitalised only in the intangible asset model.

Intangible assets are amortised on the basis of the pattern of consumption, taken to be the changes in and best estimates of the production units of each activity. The most important concession business in quantitative terms is the toll road activity, whose assets are depreciated or amortised on the basis of the concession traffic.

## Financial assets

Concessions classified as a financial asset are recognised at the fair value of the construction or improvement services rendered. In accordance with the amortised cost method, the related revenue is allocated to profit or loss at the interest rate of the receivable arising on the cash flow and concession payment projections, which are presented as revenue on the accompanying consolidated income statement. As described previously, the revenue and expense relating to the provision of the operation and maintenance services are recognised in the consolidated income statement in accordance with IFRS 15, "Revenue from contracts with customers," and the finance costs relating to the concession are recognised in the accompanying consolidated income statement according to their nature.

Assets are classified as current when they are expected to be realised or are intended for sale or consumption in the Group's normal operating cycle, when they are held primarily for the purpose of being traded, when they are expected to be realised within twelve months after the reporting date, or when they constitute cash and cash equivalents, except in cases where they cannot be exchanged or used to settle a liability for at least twelve months after the reporting date.

Interest income on the concessions to which the accounts receivable model is applied is recognised as sales, since these are considered to be ordinary activities, forming part of the overall objective of the concession operator, and are carried on and provide income on a regular basis.

Replacements or renewals of complete items that lead to a lengthening of the useful life of the assets or to an increase in their economic capacity are recognised as additions to financial assets, and the items replaced or renewed are derecognised.

The work performed by the Group on non-current assets is measured at production cost, except for the work performed for concession operators, which is measured at selling price.

Concession operators depreciate these assets so that the carrying amount of the investment made is zero at the end of the concession.

Non-current assets in projects are depreciated on the basis of the pattern of use, which, in the case of toll roads, is generally determined by the traffic projected for each year. However, certain contracts have terms shorter than the useful life of the related non-current assets, in which case they are depreciated over the contract term.

At least at each reporting date, the companies determine whether there is any indication that an asset or group of assets of financial assets is impaired so that, as indicated in Note 03.06, an impairment loss can be recognised or reversed in order to adjust the carrying amount of the assets to their value in use.

The companies consider that the periodic maintenance plans for their facilities, the cost of which is recognised as an expense in the year in which it is incurred, are sufficient to ensure delivery of the assets that have to be returned to the concession provider in good working order on expiry of the concession contracts and that, therefore, no significant expenses will arise as a result of their return.

The future costs that the Group will have to incur in connection with the dismantling, closure and environmental restoration of certain facilities are capitalised to the cost of the asset, at present value, and the related provision is recognised. The Group reviews its estimates of these future costs on an annual basis, adjusting the amount of the provision recognised based on the related studies.

### **03.05. Investment property**

The Group classifies as investment property the investments in land and structures held either to earn rentals or for capital appreciation, rather than for their use in the production or supply of goods or services, or for administrative purposes; or for their sale in the ordinary course of business. Investment property is measured initially at cost, which is the fair value of the consideration paid for its acquisition, including transaction costs. Subsequently, accumulated depreciation and, where applicable, impairment losses are deducted from the initial cost.

In accordance with IAS 40, the ACS Group has elected not to periodically revalue its investment property on the basis of its market value, but rather to recognise it at cost, net of the related accumulated depreciation, following the same criteria as for "Property, plant and equipment".

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its sale or disposal by any other means.

Gains or losses arising from the retirement, sale or disposal of the investment property by other means are determined as the difference between the net disposal proceeds from the transaction and the carrying amount of the asset, and is recognised in profit or loss in the period of the retirement or disposal.

Investment property is depreciated on a straight-line basis over its useful life, which is estimated to range from 25 to 50 years based on the features of each asset, less its residual value, if material.

### **03.06. Impairment of property, plant and equipment and intangible assets excluding goodwill**

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets, and its investment properties, to determine whether there is any indication that those assets might have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset itself does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

### **03.07. Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and overheads incurred in bringing the inventories to their present location and condition.

Trade discounts, rebates and other similar items are deducted in determining the costs of purchase. The cost of inventories is calculated by using the weighted average cost formula. Net realisable value is the estimated selling price less the estimated costs of completion and costs to be incurred in marketing, selling and distribution.

The Group assesses the net realisable value of the inventories at year-end and recognises the appropriate loss if the inventories are overstated. When the circumstances that previously caused inventories to be written down no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed.

### **03.08. Non-current and other financial assets**

Except in the case of financial assets at fair value through profit or loss, financial assets are initially recognised at fair value, plus any directly attributable transaction costs.

On 1 January 2018, IFRS 9 "Financial Instruments" came into force, affecting the classification and measurement of financial assets, whereby the measurement method is determined on the basis of two concepts: the contractual cash flow characteristics of the financial asset and the Group's business model for managing it. The three new categories for measuring financial assets are: amortised cost, fair value through other comprehensive income (equity) and fair value through profit or loss.

This classification depends on how an entity manages its financial instruments (equity instruments, loans, debt securities, etc.), its business model and whether or not there are contractual cash flows from specifically defined financial assets:

- If the objective of the business model is to hold a financial asset in order to collect contractual cash flows and, depending on the terms of the contract, cash flows that are solely payments of principal and interest on that principal are received on specified dates, the financial asset is measured at amortised cost. The Group's financial assets relate largely to loans and debt securities and are therefore measured at amortised cost, i.e. initial cost less principal repayments plus accrued interest receivable on the basis of the effective interest rate, adjusted for any impairment losses recognised, where applicable.

The effective interest rate is the rate that exactly matches the initial cost to the total estimated cash flows for all items over the remaining life of the investment.

Trade receivables arising in the Group's normal business activities are recognised at their nominal value adjusted by their lifetime expected credit losses.

- If the objective of the business model is both to collect contractual cash flows and sell financial assets and, depending on the terms of the contract, cash flows that are solely payments of principal and interest on that principal are received on specified dates, the financial asset is measured at fair value through other comprehensive income (equity). Interest, impairment and exchange differences are recognised in profit or loss as in the amortised cost model. Other changes in fair value are recognised in equity and are recycled in the consolidated income statement upon their sale.

- Beyond the above scenarios, the general rule is that any other assets are measured at fair value through profit or loss. This method is used mainly to classify equity instruments, unless they are initially classified at fair value through other comprehensive income.

However, there are two options for irrevocable designation at initial recognition:

- An equity instrument, provided it is not held for trading purposes, may be designated for measurement at fair value through other comprehensive income (equity), although if the instrument is sold, the amounts recognised in equity may not be allocated to the consolidated income statement and only dividends are recognised in profit or loss.
- A financial asset may also be designated to be measured at fair value through profit or loss if this reduces or eliminates an accounting mismatch, known as the fair value option.

### Expected loss and customer insolvencies

The change as a result of the entry into force of IFRS 9 consists of the change from incurred credit losses to expected credit losses in the presentation of impaired financial assets. The quantification of expected credit losses involves determining the probability of default at initial recognition of an asset and, subsequently, whether there has been a significant increase in credit risk on an ongoing basis in each reporting period. In making this assessment, the ACS Group considers both the quantitative and qualitative information that is reasonable and can be supported, including past experience and forward-looking information that is available without undue cost or effort. Forward-looking information includes the future prospects of the industries in which the Group's debtors operate, obtained from reports compiled by expert economists, financial analysts, government bodies, relevant groups of experts and other similar organisations, and the consideration of various external sources of economic forecasts related to the main business operations of the ACS Group.

In particular, insofar as it is available in a reasonable form, the following information is taken into account for assessing significant changes in credit risk:

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its obligations.
- Actual or expected significant changes in the operating results of the borrower.
- Significant increases in credit risk on other financial instruments of the same borrower.
- Credit ratings assigned by an external agency.
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.
- Macroeconomic information, such as market interest rates and growth rates.

The Group has opted to apply the simplified approach to the impairment of trade receivables that do not contain a significant financing component, assessing and recognising from the outset the entire expected loss. For its practical application, estimated calculations are used based on past experience and the risk of each customer, by geographical area.

As a general rule, impairment is estimated in terms of the expected losses over the next 12 months. When there is a significant deterioration in credit quality, the expected loss over the life of the asset is estimated.

## Current/Non-current classification

Liabilities are classified as current when they are expected to be settled over the course of the Group's normal operating cycle, when they are held primarily for the purpose of being traded, when they must be settled within twelve months after the reporting date, or when the Group does not have an unconditional right to defer repayment of the liabilities for twelve months after the reporting date.

## Derecognition of financial assets

The Group derecognises a financial asset when it expires or when the rights to the cash flows from the financial asset have been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred, such as in the case of firm asset sales, factoring of trade receivables in which the Group does not retain any credit or interest rate risk, sales of financial assets under an agreement to repurchase them at fair value and the securitisation of financial assets in which the transferor does not retain any subordinated debt, provide any kind of guarantee or assume any other kind of risk.

However, the Group does not derecognise financial assets, and recognises a financial liability for an amount equal to the consideration received, in transfers of financial assets in which substantially all the risks and rewards of ownership are retained, such as in the case of bill discounting, with-recourse factoring, sales of financial assets under an agreement to repurchase them at a fixed price or at the selling price plus interest and the securitisation of financial assets in which the transferor retains a subordinated interest or any other kind of guarantee that absorbs substantially all the expected losses.

## Fair value hierarchies

Financial assets and liabilities measured at fair value are classified according to the hierarchy established in IFRS 7, as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data.

### **03.09. Non-current assets held for sale, liabilities relating to non-current assets held for sale and discontinued operations**

#### 03.09.01. Non-current assets held for sale and liabilities relating to non-current assets held for sale

##### 2021 Financial Year

At 31 December 2021, non-current assets held for sale related mainly to those belonging to the Industrial business segment, which have not been included in the public deed of sale for most of the Industrial Services Division signed with Vinci (see Note 03.09.02) effective as of 31 December 2021.

In all the above cases a formal decision was made by the Group to sell these assets, and a plan for their sale was initiated. These assets are currently available for sale and the sale is expected to be completed within a period of 12 months from the date of their classification as assets held for sale. It should be noted that the assets, which were classified as held for sale at 31 December 2021, were held in this category for a period of more than twelve months, but they were not sold due to certain circumstances, which at the time of their classification were not likely. Paragraph B1 (c) of appendix B of IFRS 5 exempts a company from using a one-year period as the maximum period for classifying an asset as held for sale if, during the above period, circumstances arise that were previously considered unlikely, the assets were actively sold at a reasonable price, they fulfil the requirements undertaken by Management and there is a high probability that the sale will occur within one year from the balance sheet date.

In 2021 the total value of the non-current assets held for sale decreased to EUR 586,481 thousand and the liabilities related to these assets decreased to EUR 188,532 thousand. This decrease is mainly due to the sale of the assets and liabilities of the Industrial Services business as indicated in Note 03.09.02, and the deconsolidation of BICC in 2021 (see Note 03.09.02).

The breakdown of the main assets held for sale and liabilities related to these assets at 31 December 2021 is as follows:

|   | Thousands of Euros |                |                  |
|---|--------------------|----------------|------------------|
|   | 31/12/2021         |                |                  |
|   | Renewable energy   | Other          | Total            |
| Tangible assets - property, plant and equipment     | 18,742             | 8,461          | 27,203           |
| Intangible assets                                   | 1                  | 3,875          | 3,876            |
| Non-current assets in projects                      | 1,550,508          | 37,559         | 1,588,067        |
| Financial Assets                                    | 20,747             | 524,742        | 545,489          |
| Deferred tax assets                                 | 92,264             | 560            | 92,824           |
| Other non-current assets                            | —                  | 64,164         | 64,164           |
| Current assets                                      | 125,417            | 147,614        | 273,031          |
| <b>Assets held for sale</b>                         | <b>1,807,679</b>   | <b>786,975</b> | <b>2,594,654</b> |
| Non-current liabilities                             | 1,105,853          | 619,341        | 1,725,194        |
| Current liabilities                                 | 250,044            | 82,312         | 332,356          |
| <b>Liabilities relating to assets held for sale</b> | <b>1,355,897</b>   | <b>701,653</b> | <b>2,057,550</b> |
| <b>Non-controlling interests held for sale</b>      | <b>9,597</b>       | <b>2,996</b>   | <b>12,593</b>    |

"Other" includes assets related to desalination plants, transmission lines, gas compression plants and wastewater treatment plants related to the Industrial Services business and the assets held for sale from Cimic.

Furthermore, a 5% interest in Servicios Compresión de Gas CA-KU-A1, S.A.P.I. de C.V. was acquired in 2021, thereby obtaining control over the company, which is now fully consolidated instead of recognised using the equity method. Therefore, all assets and liabilities were restated at the fair value of the purchase and income was recognised under "Impairment and gains or losses on the disposal of non-current assets" in the income statement (see Note 29). In addition, the Company sold its 50% interest held in the following transmission lines: Transmissora José Maria de Macedo de Electricidade, S.A., Giovanni Sanguinetti Transmisora de Energia, S.A., Veredas Transmissora de Electricidades, S.A., Sete Lagoas Transmissora de Energia, Ltda, Brilhante Transmissora de Energias, S.A. and Brilhante Transmissora de Energias 2, S.A. in Brazil, and all the photovoltaic plants of Bonete Fotovoltaica 1, S.L.U. and Central Solar Termoeléctrica de Cáceres, S.A.U. and Parque Eólico Las Tadeas, S.L. (see Note 29).

The ACS Group is currently studying and analysing the various put options or is in the process of selling them at the expense of obtaining the relevant authorisations and, therefore, has classified these assets under "Non-current assets held for sale" and "Liabilities relating to non-current assets held for sale".

The amount relating to net debt included under assets held for sale and liabilities related to these assets at 31 December 2021 totalled EUR 1,592,943 thousand (EUR 1,263,428 thousand at 31 December 2020), of which EUR 1,141,290 thousand (EUR 995,363 thousand at 31 December 2020) relates to renewable energies and EUR 451,653 thousand (EUR 268,065 thousand at 31 December 2020) to other assets. The total amount of this net debt includes EUR 522,255 thousand (EUR 524,269 thousand at 31 December 2020) corresponding to limited recourse project financing. Net debt is calculated using the arithmetic sum of the current and non-current financial liabilities, less long-term deposits, other current financial assets and cash and cash equivalents.

## 2020 Financial Year

At 31 December 2020, non-current assets held for sale in the Industrial business segment related mainly to the renewable energy business (mainly photovoltaic plants, wind farms and solar thermal plants) and electricity transmission lines.

The breakdown of the main assets held for sale and liabilities related to these assets at 31 December 2020 was as follows:

|   | Thousands of Euros |                   |                |                  |
|---|--------------------|-------------------|----------------|------------------|
|   | 31/12/2020         |                   |                |                  |
|   | Renewable energy   | Transmission line | Other          | Total            |
| Tangible assets - property, plant and equipment     | 26,414             | —                 | 9,150          | 35,564           |
| Intangible assets                                   | 55,100             | —                 | —              | 55,100           |
| Non-current assets in projects                      | 1,299,394          | —                 | 29,471         | 1,328,865        |
| Financial Assets                                    | 126,025            | 265,547           | 232,382        | 623,954          |
| Deferred tax assets                                 | 7,204              | —                 | 1,981          | 9,185            |
| Other non-current assets                            | 202                | 11,749            | 74,917         | 86,868           |
| Current assets                                      | 128,729            | 357               | 84,046         | 213,132          |
| <b>Assets held for sale</b>                         | <b>1,643,068</b>   | <b>277,653</b>    | <b>431,948</b> | <b>2,352,669</b> |
| Non-current liabilities                             | 926,122            | 2,082             | 44,881         | 973,085          |
| Current liabilities                                 | 260,020            | 82,729            | 93,124         | 435,873          |
| <b>Liabilities relating to assets held for sale</b> | <b>1,186,142</b>   | <b>84,811</b>     | <b>138,005</b> | <b>1,408,958</b> |
| <b>Non-controlling interests held for sale</b>      | <b>4,660</b>       | <b>—</b>          | <b>1,478</b>   | <b>6,138</b>     |

In January 2020, an agreement was reached for the sale of the 50.1% that the Group still held at 31 December 2019 in Zero-E Euro Assets, S.A. and the sale of other photovoltaic energy projects also located in Spain (see Note 02.02.f).

This agreement was amended in July 2020 with the creation of a joint venture that grouped together the projects already in operation and an initial package of those that were under development, of which Galp acquired a 75.01% interest for between EUR 300 million and EUR 350 million, while the ACS Group maintains a 24.99% interest with a joint governance structure. The remaining projects will be gradually included in the joint venture.

On 15 September 2020, an agreement was reached with the Galp Energía Group (Galp), consisting of the sale of shares representing 75% of the company's share capital, which focused its investment on photovoltaic energy projects in Spain, both those that were in operation and those expected to be developed and operational starting from 2020 through to 2023. This represents a total installed capacity of 2,930 MW and an initial disbursement by Galp of EUR 325 million.

The total value of the company, once all the projects have been completed, is estimated at some EUR 2,200 million, with total net profit for the Group of approximately EUR 330 million, of which EUR 250 million was collected in 2019.

In addition, on 28 April 2020, the ACS Group, through Iridium Concessions de Infraestructura, S.A., completed the entire sale to the Hermes Infrastructure fund for 74% of the share capital of a company that held all of the Group's shares in six shadow toll concessions in Spain. The operation was carried out with a company value (100%) of EUR 950 million and with capital gain on 74% of the EUR 40 million transferred, part of which had already been collected in 2019. The remaining 26% was classified under "Investments accounted for using the equity method".

The income and expenses recognised under "Adjustments for changes in value" in the consolidated statement of changes in equity, which relate to operations considered to be held for sale at 31 December 2021 and 2020, are as follows:



|   | Thousands of Euros |                 |                 |
|---|--------------------|-----------------|-----------------|
|   | 31/12/2021         |                 |                 |
|   | Renewable energy   | Other           | Total           |
| Exchanges differences                   | 2,481              | (18,004)        | (15,523)        |
| Cash flow hedges                        | (1,828)            | —               | (1,828)         |
| <b>Adjustments for changes in value</b> | <b>653</b>         | <b>(18,004)</b> | <b>(17,351)</b> |

|   | Thousands of Euros |                   |                 |                  |
|---|--------------------|-------------------|-----------------|------------------|
|   | 31/12/2020         |                   |                 |                  |
|   | Renewable energy   | Transmission line | Other           | Total            |
| Exchanges differences                   | (15,228)           | (63,273)          | (11,749)        | (90,250)         |
| Cash flow hedges                        | (7,846)            | —                 | (4,720)         | (12,566)         |
| <b>Adjustments for changes in value</b> | <b>(23,074)</b>    | <b>(63,273)</b>   | <b>(16,469)</b> | <b>(102,816)</b> |

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through sale rather than through continuing use. For this to be the case, the assets or disposal groups must be available for immediate sale in their present condition, and their sale must be highly probable.

#### 03.09.02. Discontinued operations

##### BICC

The ACS Group has an indirect interest of 45% through Cimic in BIC Contracting LLC (BICC), a company based in Dubai (United Arab Emirates), the carrying amount of which at 31 December 2021 and 2020 was zero.

On 15 February 2021, Cimic announced that it had signed a sale agreement with a third party outside the Group (SALD Investment LLC) for the sale of Cimic's investment in the Middle East. SALD, a private sector investment firm based in the UAE, will purchase Cimic's 45% interest in BICC. The remaining 55% of BICC not held by Cimic will also be acquired by SALD. The sale encompasses all of Cimic's investments in the Middle East. Upon completion of the transaction, SALD will own all of BICC's businesses in the UAE, Qatar, Oman and Saudi Arabia.

The process of completing the transaction is still ongoing. It is subject to compliance with certain conditions precedent, which includes obtaining all approvals for the transfer. As part of the sale process, the directors representing Cimic were replaced by representatives of SALD on 17 May 2021 and SALD was also granted the power to manage the company. The process of obtaining approvals and the sale of the Qatar-based business was completed in 2021.

Although Cimic has reached an agreement with the buyer to contribute a certain amount of funds to BICC, the transaction does not increase Cimic's financial exposure to the Middle, given that the risks associated with BICC were already recognised in previous years. In 2021, a total of AUD 84.5 million (EUR 53.5 million) were paid in relation to the financial guarantees provided by Cimic and other payments under the sale agreement (see Note 03.23). These amounts were handled with financial liabilities and other amounts payable recognised in the year ended 31 December 2020. The parties are continuing to work together to obtain the necessary permits and authorisations to close the sale.

Against this backdrop, the ACS Group assessed the probability of the sale of the shareholding, concluding that the requirements of IFRS 5 had been met at the end of 2021 and 2020 to consider this shareholding as a non-current asset held for sale.

Also, since BICC represents a specific geographical area of operations for the ACS Group (with no other permanent establishments in this area) and is a component that represents a specific geographical area of operations with significant figures, the ACS Group has considered BICC's operations to be a discontinued operation since 2020.

As a result of the agreements entered into regarding the sale transaction, BICC was no longer fully consolidated in the consolidated annual accounts as of 2021, as all risks and rewards were transferred to the buyer and, from the date on which the agreement was signed, it therefore no longer had the power to direct the relevant activities of the company or the capacity or exposure to variable returns.

Assets and liabilities classified as held for sale are presented separately in the consolidated statement of financial position under "Non-current assets held for sale and discontinued operations" and "Liabilities relating to non-current assets held for sale and discontinued operations". At 31 December 2020, assets amounted to EUR 828 million and liabilities to EUR 837 million. The assets held for sale and the liabilities related to assets held for sale were derecognised after the agreement was signed to purchase the investment in BICC announced on 15 February 2021 with the subsequent deconsolidation of the company as indicated above, whereby an interest was then recognised using the equity method, the carrying amount of which at 31 December 2021 was zero euros and is classified under "Non-current assets held for sale".

The carrying amount of the assets and liabilities of the business derecognised on 14 February 2021, and at 31 December 2020 are as follows:

|   | Millions of Euros |            |
|---|-------------------|------------|
|   | 14/02/2021        | 31/12/2020 |
| <b>Non-current assets</b>   | <b>103</b>        | <b>104</b> |
| Intangible assets   | 89                | 89         |
| Property, plant and equipment                                       | 0                 | 1          |
| Investment property   | 14                | 14         |
| <b>Current assets</b>   | <b>695</b>        | <b>724</b> |
| <b>Non-current assets held for sale</b>                             | <b>798</b>        | <b>828</b> |
| Non-current liabilities   | 12                | 12         |
| Non-current provisions  | 11                | 11         |
| Non-current financial liabilities                                   | 1                 | 1          |
| <b>Current liabilities</b>  | <b>799</b>        | <b>825</b> |
| <b>Liabilities associated with non-current assets held for sale</b> | <b>811</b>        | <b>837</b> |

Profit after tax from discontinued operations was zero euros in 2021, given that the risks associated with BICC were already recognised in previous years (the cash consideration received was zero, non-cash consideration was zero, the carrying amount attributed to ACS in the sale was EUR-10 million and the reclassification from equity to the income statement was EUR 10 million euros, and transaction costs were zero. Consequently, the deconsolidation carried out in 2021 did not have a significant impact on profit. The cash and cash equivalents derecognised in the transaction amounted to EUR 11 million, resulting in an outflow of cash and cash equivalents for the same amount.

The expenses and income, and the cash flows from the business on 14 February 2021 and those for 2020, are as follows:

|   | Millions of Euros             |                               |
|---|-------------------------------|-------------------------------|
|   | From 01/01/2021 to 14/02/2021 | From 01/01/2020 to 31/12/2020 |
| Revenue   | 10                            | 139                           |
| Current expenditure   | (14)                          | (59)                          |
| Financial results   | —                             | (48)                          |
| <b>Profit / (loss) before tax</b>                             | <b>(4)</b>                    | <b>32</b>                     |
| Tax expense   | —                             | —                             |
| <b>Profit / (loss) after tax from discontinued operations</b> | <b>(4)</b>                    | <b>32</b>                     |
| Profit / (loss) attributable to non-controlling interests     | 4                             | (32)                          |
| <b>Profit / (loss) attributable to the parent company</b>     | <b>—</b>                      | <b>—</b>                      |

|  | Millions of Euros             |                               |
|--|-------------------------------|-------------------------------|
|  | From 01/01/2021 to 14/02/2021 | From 01/01/2020 to 31/12/2020 |
| Net cash from/(used in) operating activities | (18)                          | (35)                          |
| Net cash from/(used in) investing activities | (11)                          | —                             |
| Net cash from/(used in) financing activities | 14                            | 10                            |
| <b>Net cash flow for the year</b>            | <b>(15)</b>                   | <b>(25)</b>                   |

## Industrial Services

On 31 March 2021, the ACS Group and Vinci signed a binding agreement for the sale and purchase of most of the ACS Group's Industrial Services Division. The scope of the transaction includes, in addition to the engineering and construction activities, investments in eight concessions, or PPPs, mainly for energy projects and the development platform for new projects in the renewable energy sector. ACS has retained certain concessions, whereby the carve-out process has been underway prior to execution of the sale and purchase.

The consideration agreed in the transaction was broken down as follows in the aforementioned sale and purchase agreement:

- Upon completion of the sale and purchase, ACS will receive a minimum of EUR 4,930 million and a maximum of EUR 4,980 million. This payment is composed of a fixed payment of EUR 4,200 million and a minimum additional payment of EUR 730 million and a maximum of EUR 780 million, mainly as compensation for the company's cash, the exact amount of which will be determined on the basis of the results of the perimeter sold at the date of execution of the sale and purchase.
- A maximum variable payment of EUR 600 million in cash at a rate of EUR 20 million for each half GW generated in renewable assets by the Industrial Services Division (up to "Ready to build" status) between 31 March 2021 and up to 7 years following the execution of the sale and purchase, which may be extended for an additional 18 months if the Industrial Services Division sold fails to generate 6 GW in the first 42 months.
- In addition, both parties have undertaken to create a joint venture to which they will contribute, at market price and once they are completed, connected to the grid and ready to produce, all the renewable assets developed in the future by the Industrial Services Division subject to the agreement over a period of at least eight and a half years after the execution of the sale and purchase. Vinci will hold 51% of the voting and dividend rights and ACS will hold the remaining 49%

of this company, which is an essential element of the transaction's value creation for the ACS Group.

As is customary in these types of transactions, its execution included a condition precedent indicating that all the necessary authorisations had to be obtained, particularly as regards competition. Likewise, as a result of signing the sale and purchase agreement, in addition to establishing the price of the transaction and the form of payment of the consideration, the range of companies to be included in the scope of the sale was more clearly defined, and an assessment was carried out regarding any pending authorisations necessary, which concluded that it was highly probable that these authorisations would be obtained, and they were classified as non-substantive conditions for accounting purposes, which is why the Group began to classify the assets and liabilities related to Industrial Services as non-current assets held for sale and liabilities related to non-current assets held for sale and its operations as discontinued operations.

In accordance with IFRS 5, considering that the "carrying amount will be recovered principally through a sale transaction rather than through continuing use" since, upon signing the binding agreement, there is a commitment for both parties once an agreement has been reached on the most relevant aspects, such as financial terms, and it is not a mere non-binding offer as was the case up until the agreement was signed. The assets and liabilities related to most of the Industrial Services Division were classified as non-current assets held for sale and liabilities relating to non-current assets held for sale, prior to the effective sale. Given the significant size of the Industrial Services business being sold, which basically represents all of ACS' operations and cash flows in this business and that can be separated from the rest of the Group's operations, the decision was made to recognise the Industrial Services business being sold to Vinci as a discontinued operation as at 31 December 2021 under "Profit after tax from discontinued operations" in the ACS Group's income statement for 2021. This means that the profit for the previous year must be reclassified in the same way for comparison purposes, so that it is also shown in a separate line item in the ACS Group's income statement at 31 December 2020.

Finally, the ACS Group and the Vinci Group signed, effective as of 31 December 2021, the public deed of sale for most of the ACS Group's Industrial Services Division agreed on 31 March, with the carve-out process yet to be concluded for certain predetermined assets that the ACS Group will retain, which will be executed mainly in the coming months.

As consideration, the ACS Group received approximately EUR 4,902 million in cash (see Note 14). In addition, as a result of the maximum variable payment of EUR 600 million in cash at a rate of EUR 20 million for each half GW generated in renewable assets by the Industrial Services Division (up to "Ready to build" status) between 31 March 2021 and up to 7 years following the execution of the sale and purchase, which may be extended for an additional 18 months if the Industrial Services Division sold fails to generate 6 GW in the first 42 months, when determining the capital gain, the ACS Group considered an earn-out with a fair value updated at the reporting date amounting to EUR 223 million, which had yet to be received as at 31 December 2021 and is recognised under "Non-current financial assets" in the consolidated statement of financial position as it is considered to mature in more than twelve months. (see Note 10.03).

With this price, taking into account that the portion of the Industrial Services Division sold generated most of the tax benefits of the Tax Group in Spain, the ACS Group, in accordance with IAS 12, derecognised for accounting purposes certain unused tax assets and tax credits (see Note 26) and, therefore, a net gain of EUR 2,909 million was obtained after this transaction was carried out.

Finally, both parties reached an agreement regarding the specific terms for the creation and operation of a joint venture to which they will contribute all the renewable assets developed in the future by the Industrial Services Division — once they are completed, connected to the grid and ready to produce — subject to the agreement at least eight and a half years after the execution of the sale and purchase. Vinci has 51% of the voting and dividend rights and ACS has the remaining 49%.

Upon completion of the sale and purchase transaction at year-end 31 December 2021, there were no assets or liabilities related to this discontinued operation.

The detail of the sale at 31 December 2021 was as follows:

|   | Millions of Euros |
|---|-------------------|
|   | 31/12/2021        |
| <b>Gain on disposal</b>                                       |                   |
| Total cash consideration                                      | 4,902             |
| Deferred consideration  | 223               |
| Carrying amount on disposal                                   | (1,374)           |
| Recycling of reserves   | (184)             |
| <b>Gain of disposal of controlled entities before tax</b>     | <b>3,567</b>      |
| Transaction costs   | (50)              |
| <b>Net gain on disposal of controlled entities before tax</b> | <b>3,517</b>      |

**Carrying value of assets and liabilities of entities and businesses disposed**

|   |              |
|---|--------------|
| Goodwill (Note 02.01)                                   | 233          |
| Other intangible assets                                 | 90           |
| Property, plant and equipment / Investment property     | 409          |
| Other non-current assets                                | 466          |
| Inventories   | 86           |
| Trade and other receivables                             | 2,683        |
| Other current assets                                    | 138          |
| Cash and cash equivalents                               | 1,299        |
| Non-current assets held for sale                        | 764          |
| Grants  | (2)          |
| Non-current financial liabilities                       | (239)        |
| Other non-current liabilities                           | (21)         |
| Current financial liabilities                           | (438)        |
| Trade and other payables                                | (3,579)      |
| Other current liabilities                               | (113)        |
| Liabilities related to non-current assets held for sale | (362)        |
| Non-controlling interests                               | (40)         |
| <b>Net assets disposed</b>                              | <b>1,374</b> |

**Cash flow resulting from sale**

|   |              |
|---|--------------|
| Cash consideration net of transaction costs ( * ) | 4,898        |
| Cash disposed                                     | (1,299)      |
| <b>Net cash outflow</b>                           | <b>3,599</b> |

( \* ) As at 31 December 2021 certain transaction costs remain unpaid which are accrued in the trade and other payables balance.

The breakdown of the profit from discontinued operations from the Industrial Services Division in the periods ended 31 December 2021 and 2020 is as follows:

|  | Millions of Euros |            |
|--|-------------------|------------|
|  | 31/12/2021        | 31/12/2020 |
| Revenue  | 4,561             | 5,652      |
| Expenses   | (4,054)           | (5,223)    |
| Net finance costs  | 16                | (50)       |
| <b>Profit/(loss) before tax before gain/(loss) on sale of Thiess</b> | <b>523</b>        | <b>379</b> |
| Net Profit/(loss) from the sale of the subsidiary before taxation    | 3,517             | —          |
| <b>Profit/(loss) before tax</b>                                      | <b>4,040</b>      | <b>379</b> |
| Tax on profit before tax   | (77)              | (132)      |
| <b>Profit/(loss) for the year from Thiess</b>                        | <b>3,963</b>      | <b>247</b> |
| Profit attributed to non-controlling interests                       | (11)              | (3)        |
| <b>Profit attributable to the shareholders of parent entity</b>      | <b>3,952</b>      | <b>244</b> |

The breakdown of the transfers to the consolidated income statement in 2021 as a result of the sale of part of Industrial Services included in the consolidated statement of comprehensive income from discontinued operations is as follows:

|   | Millions of Euros |
|---|-------------------|
|   | 31/12/2021        |
| Financial assets with changes in other comprehensive income | —                 |
| Hedging transactions  | 2                 |
| Conversion differences                                      | (186)             |
| <b>Transfers to the consolidated income statement</b>       | <b>(184)</b>      |

The detail of the effect of the discontinued operations on the statement of cash flows is as follows:

|  | Millions of Euros |              |
|--|-------------------|--------------|
|  | 31/12/2021        | 31/12/2020   |
| Net cash from/(used in) operating activities | (353)             | 296          |
| Net cash from/(used in) investing activities | (138)             | (17)         |
| Net cash from/(used in) financing activities | 704               | (607)        |
| <b>Net cash flow for the year</b>            | <b>213</b>        | <b>(328)</b> |

### 03.10. Equity

An equity instrument represents a residual interest in the net assets of the Group after deducting all of its liabilities.

Capital and other equity instruments issued by the Parent are recognised in equity at the proceeds received, net of direct issue costs.

#### 03.10.01. Share capital

Ordinary shares are classified as capital. There are no other types of shares.

Expenses directly attributable to the issue or acquisition of new shares are recognised in equity as a deduction from the amount of equity.

#### 03.10.02. Treasury shares

The transactions involving treasury shares in 2021 and 2020 are summarised in Note 15.04. Treasury shares were deducted from equity in the accompanying consolidated statement of financial position as at 31 December 2021 and 2020.

When the Group acquires or sells treasury shares the amount paid or received for the treasury shares is recognised directly recognised in equity. No loss or gain from the purchase, sale, issue or retirement of the Group's own equity instruments is recognised in the consolidated income statement for the year.

The shares of the Parent Company are measured at average acquisition cost.

#### 03.10.03. Share options

The Group has granted options on ACS, Actividades de Construcción y Servicios, S.A. shares to certain employees.

In accordance with IFRS 2, the options granted are considered as to be equity-settled share-based payment transactions. Accordingly, they are measured at fair value at the grant date and are expensed over the length of the vesting period with a credit to equity, based on the periods of irrevocability of the options.

Since market prices are not available, the value of the share options has been determined using valuation techniques taking into consideration all factors and conditions that would have been applied in an arm's length transaction between knowledgeable parties (Note 28.03).

In addition, the Hochtief Group has granted options on Hochtief, A.G. shares to management members.

#### 03.11. Government grants

The ACS Group has received grants from various government agencies mainly to finance investments in property, plant and equipment for its Services business. Evidence of compliance with the conditions established in the related grant resolutions was provided to the relevant competent agencies.

Government grants received by the Group to acquire assets are taken to income over the same period and on the same basis as those used to depreciate the asset relating to the above grant.

Government grants to compensate costs are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

A government grant receivable as compensation for expenses or losses already incurred or for the purpose of giving financial support with no future related costs is recognised in profit or loss of the period in which it becomes receivable.

#### 03.12. Financial liabilities

Financial liabilities are classified in accordance with the content and the substance of the contractual arrangements.

The main financial liabilities held by the Group companies relate to held-to-maturity financial liabilities, which are measured at amortised cost.

The Group derecognises financial liabilities when the obligations giving rise to them are cancelled.

The financial risk management policies of the ACS Group are detailed in Note 21.

### 03.12.01. Debentures, loans and debt securities

Interest-bearing bank loans and overdrafts are recognised at the proceeds received, net of direct issue costs. Finance costs, including premiums payable on settlement or redemption and direct issue costs, are recognised in profit or loss on an accrual basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Exchanges of debt instruments between the Group and the counterparty or substantial changes in the liabilities initially recognised are accounted for as an extinguishment of the original liability and the recognition of a new financial liability, provided that the instruments have substantially different terms. The Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least ten per cent different from the discounted present value of the remaining cash flows of the original financial liability.

Where an exchange is recognised as an extinguishment of the original financial liability, the costs or fees are recognised in the consolidated income statement. Otherwise, the modified flows are discounted at the original effective interest rate, and any difference from the previous carrying amount is recognised in profit or loss. Similarly, the costs or fees incurred adjust the carrying amount of the financial liability and are amortised using the amortised cost method over the remaining term of the modified financial liability.

Debentures and other marketable securities, loans and credit facilities are subsequently measured at amortised cost.

Loans are classified as current items unless the Group has the unconditional right to defer repayment of the debt for at least 12 months from the end of the reporting period.

### 03.12.02. Trade and other payables

Trade payables are not interest bearing and are stated at their nominal value, which does not differ significantly from their fair value.

The heading of trade payables also includes the balances payable to suppliers through reverse factoring agreements with financial institutions, and the payments related to these agreements are also classified as trade flows since these transactions do not include either specific guarantees provided as pledges on the payments to be made or any changes that alter the commercial nature of the transactions.

### 03.12.03. Current/Non-current classification

In the accompanying consolidated statement of financial position debts due to be settled within 12 months are classified as current items and those due to be settled within more than 12 months as non-current items.

Loans due within 12 months but whose long-term refinancing is assured at the Group's discretion, through existing long-term credit loan facilities, are classified as non-current liabilities.

"Project finance with limited recourse" is classified based on the same criteria, and the detail is shown in Note 18.

### 03.12.04. Retirements benefit obligations

#### a. Post-employment benefit obligations

Certain Group companies have post-employment benefit obligations of various kinds to their employees. These obligations are classified by group of employees and may relate to defined contribution or defined benefit plans.

For defined contributions, the contributions made are recognised as expenditure under "Personnel expenses" in the consolidated income statement as they accrue.



ACS, Actividades de Construcción y Servicios, S.A. includes in defined benefit plans for Spanish companies those financed through the payment of insurance premiums in which there is a legal or constructive obligation to pay the employees the promised benefits when they become claimable. This obligation is fulfilled through the insurance company.

ACS, Actividades de Construcción y Servicios, S.A. is required, under specific conditions, to make monthly payments to a group of employees to supplement the mandatory public social security system benefits for retirement, permanent disability, death of spouse or death of parent.

In this sense, for the defined benefit plans, actuarial studies are conducted once a year by independent experts using market assumptions and the expenditure relating to the obligations is recognised on an accrual basis, classifying the normal cost for the current employees over their working lives under "Personnel expenses" and recognising the associated financial cost, in the event that the obligation were to be financed, by applying the rates relating to investment-grade bonds on the basis of the obligation recognised at the beginning of each year (see Note 20).

The post-employment benefit obligations include, among others, those arising from certain companies of the Hochtief Group, for which the Group has recognised the related liabilities and whose recognition criteria are explained in Note 03.13.

#### **b. Other employee benefit obligations**

The expense relating to termination benefits is recognised in full when there is an agreement or when the interested parties have a valid expectation that such an agreement will be reached that will enable the employees, individually or collectively and unilaterally or by mutual agreement with the company, to cease working for the Group in exchange for a termination benefit. If a mutual agreement is required, a provision is only recognised in situations in which the Group considers that it will give its consent to the termination of the employees.

##### **03.12.05. Termination benefits**

Under current legislation, Spanish consolidated companies and certain foreign companies are required to pay termination benefits to employees terminated without just cause. There are no employee redundancy plans making it necessary to record a provision in this connection.

#### **03.13. Provisions**

The Group's Consolidated Annual Accounts include all the material provisions with respect to which it is considered that it is more likely than not that the obligation will have to be settled. Contingent liabilities are not recognised in the Consolidated Annual Accounts, but rather are disclosed, as required by IAS 37.

Provisions, which are quantified on the basis of the best information available on the consequences of the event giving rise to them and are reviewed and adjusted at the end of each year, are used to cater for the specific obligations for which they were originally recognised. Provisions are fully or partially reversed when such obligations cease to exist or are reduced.

##### **Litigation and/or claims in process**

At the end of 2021, certain litigation and claims were in process against the consolidated companies forming part of the ACS Group arising from the ordinary course of their operations. The Group's legal advisers and directors consider that the outcome of litigation and claims will not have a material effect on the annual accounts for the years in which they are settled.

##### **Provisions for employee termination benefit costs**

Pursuant to current legislation, a provision is recognised to meet the cost of termination of temporary employees with a contract for project work.

## Provisions for pensions and similar obligations

In the case of foreign companies whose post-employment benefit obligations are not externalised, the provisions for pensions and similar obligations recognised by various Hochtief Group companies stand out, as explained below.

Provisions for pensions and similar obligations are recognised for current and future benefit payments to active and former employees and their surviving dependants. The obligations primarily relate to pension benefits, partly for basic pensions and partly for optional supplementary pensions. The individual benefit obligations vary from one country to another and are determined for the most part by length of service and pay scales. Turner's obligations to meet healthcare costs for retired staff are likewise included in the provisions for pensions due to their pension-like nature.

Provisions for pensions and similar obligations are calculated using the projected unit credit method. This determines the present value of future entitlements, taking into account current and future benefits already known at the reporting date plus anticipated future increases in salaries and pensions and, for the Turner Group, in healthcare costs. The calculation is based on actuarial appraisals using biometric accounting principles. As defined in IAS 19, plan assets are shown separately as deductions from the pension obligations. Plan assets comprise assets transferred to pension funds to meet pension obligations, shares in investment funds purchased under deferred compensation arrangements and qualifying insurance policies in the form of pension liability insurance. If the fair value of the plan assets is greater than the present value of the employee benefits, the difference is reported—subject to the limit in IAS 19—under "Non-current assets".

Amounts arising from the assessments of the defined benefit plans are recognised directly in the consolidated income statement during the period in which they arise. The current cost for the year is recognised under personnel expenses. The effect of interest on the increase in pension obligations, reduced by expected returns on plan assets (each calculated using the discount factor method for pension obligations), is reported in net investment and finance income.

## Provisions for project completion

This corresponds to the estimated costs for site clearance and other expenses that may be incurred from completion of the project until its final settlement, which are accrued over the execution period on the basis of production volumes and are recognised under "Current provisions" on the liability side of the consolidated statements of financial position.

## Decommissioning of fixed assets

The Group is obliged to decommission certain facilities at the end of their useful life at their location. The corresponding provisions have been made for this purpose and the present value of the cost of carrying out these tasks has been estimated, recognising an asset as a balancing entry.

## Other provisions

Other provisions include mainly provisions for warranty costs.

### **03.14. Risk management policy**

The ACS Group is exposed to certain risks that it manages by applying risk identification, measurement, concentration limitation and monitoring systems.

The main principles defined by the ACS Group for its risk management policy are as follows:

- Compliance with corporate governance rules.
- Establishment by the Group's various lines of business and companies of the risk management controls required to assure that market transactions are performed in accordance with the policies, standards and procedures of the ACS Group.

- Special attention to the management of financial risk, basically including interest rate risk, foreign currency risk, liquidity risk and credit risk (see Note 21).

The ACS Group's risk management is of a preventative nature and is aimed at the medium and long term, taking into account the most probable scenarios with respect to the future changes in the variables affecting each risk.

### **03.15. Financial derivatives**

The ACS Group's activities are exposed to financial risks, mainly involving changes in foreign exchange rates and interest rates. The transactions performed are in line with the risk management policy defined by the Group.

Derivatives are initially recognised at fair value on the date on which the derivative contract is signed and are subsequently measured at fair value at each reporting date. Subsequent changes in fair value are recognised depending on whether the derivative has been designated as a hedging instrument and, if it has, on the nature of the item being hedged.

A financial derivative is a financial instrument or other contract whose value varies in response to changes in certain variables, such as an interest rate, financial instrument price, foreign exchange rate, credit rating or credit index or any other variable, which may be of a non-financial nature.

Apart from giving rise to gains or losses, financial derivatives may, under certain conditions, fully or partially offset foreign currency or interest rate risks or risks associated with balances and transactions. Hedges are accounted for as follows:

- Cash flow hedges: in hedges of this type, the changes in value of the hedging instrument are recognised provisionally in equity and are taken to income when the hedged item materialises.
- Fair value hedges: in this case, the changes in fair value of the hedging instrument are recognised in profit or loss as an adjustment of the carrying amount of the hedged item.
- Hedge of a net investment in a foreign operation: this type of hedge is aimed at covering foreign currency risk and are treated as cash flow hedges.

In accordance with IFRS 9 "Financial instruments," an efficiency test must be carried out, consisting of a qualitative assessment of the financial derivative to determine if it can be considered a hedging instrument and, therefore, effective.

The qualitative requirements that should be met are as follows:

- Formal designation and documentation, at inception of the hedge, of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge.
- Documentation identifying the hedged item, the hedging instrument and the nature of the risk being hedged.
- It must meet the effectiveness requirements, i.e., there is an economic relationship between the hedged item and the hedging instrument so that both generally move in directions opposite to the hedged risk. Likewise, credit risk should not have a dominant effect on changes in value of the hedged items and the hedge ratio should be equivalent to the percentage of exposure to the risk hedged.

According to the qualitative effectiveness test, hedging will be considered fully effective as long as it meets these criteria. If this were not the case, the hedge would cease to be treated as such, the hedging relationship would be discontinued and the derivative would be accounted for at fair value through profit or loss.

Once the effectiveness of the instruments has been assessed, a quantitative analysis will be used to determine how they will be recognised. This quantitative analysis consists of a retrospective part, purely for accounting purposes, and a prospective part with the objective of analysing possible future deviations in the hedging relationship.

For the retrospective assessment, the analysis is adapted to the type of hedge and the nature of the instruments used:

- In cash flow hedges, as regards interest rate swaps (IRS) in which the Group receives a floating rate equal to that of the hedged financing and pays a fixed rate, since the objective is to reduce the variability of financing costs, the effectiveness is estimated using a test that determines whether changes in the fair value of the IRS cash flows offset the changes in the fair value of the hedged risk.

For accounting purposes, we follow the hypothetical derivative method typically used in the quantitative assessment of effectiveness, which establishes that the company will recognise in equity the lower, in absolute amounts, of the change in the value of the hypothetical derivative (hedged position) and the change in the value of the derivative arranged. The difference between the value of the change recognised in equity and the fair value of the derivative at the date on which the effectiveness test is being prepared will be considered the ineffective portion and will be recognised directly in the income statement.

For cash flow hedges in which the hedging derivative instrument is not an IRS but an option or a forward, we must differentiate between the designated portion and the non-designated portion:

- The treatment of the designated portion will be similar to that detailed for the IRS.
- For the non-designated portion (forward points or temporary value of the options), the change in its fair value will be recognised in other comprehensive income to the extent that it relates to the hedged item and will be accumulated in a separate component of equity. This amount will be reclassified from the separate component of equity to profit or loss for the period as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss for the period (for example, when a forecast sale occurs).

Changes in the fair value of financial derivatives that do not qualify for hedge accounting are recognised in the income statement as they arise.

The measurement is carried out through methods and techniques determined using observable market inputs, such as:

- The IRSs were measured by discounting all the flows envisaged in each contract on the basis of its characteristics, such as the notional amount and the collection and payment schedule. This measurement was made using the zero-coupon rate curve determined by employing a bootstrapping process for the deposits and swaps traded at any given time. This zero-coupon rate curve was used to obtain the discount factors for the measurements, which were made assuming the absence of arbitrage opportunity (AAO). When the derivatives include caps and floors or combinations of them, on occasions conditional upon special conditions being met, the interest rates used were the same as those used for the swaps, although in order to introduce the component of randomness in the exercise of the options, the generally accepted Black-Scholes model was used.
- In the case of a cash flow hedging derivative tied to inflation, the method used is very similar to that applied to interest rate swaps. The projected inflation is estimated on the basis of the inflation included implicitly in the ex-tobacco European inflation-indexed swaps quoted on the market and is aligned with Spanish inflation by means of a convergence adjustment.

Equity swaps are measured as the result of the difference between the quoted price at year end and the strike price initially agreed upon, multiplied by the number of contracts reflected in the swap.

Derivatives whose underlying asset is quoted on an organised market and that are not qualified as hedges are measured using the Black-Scholes model and applying market parameters such as implicit volatility and estimated dividends.

For those derivatives whose underlying asset is quoted on an organised market, but in which the derivative forms part of a financing agreement and where its arrangement substitutes the underlying assets, the measurement is based on the calculation of its intrinsic value at the calculation date.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and provided that the host contracts are not measured at fair value by recognising changes in fair value in the consolidated statement of comprehensive income.

The fair value includes the measurement of the credit risk of the counterparty in the case of the assets, or of the ACS Group in the case of liabilities, in accordance with the IFRS 13. Therefore, when a derivative presents unrealised gains, this amount is adjusted downward according to the risk of the banking counterparty due to make payment to a Group company, whereas when there are unrealised losses, this amount is reduced on the basis of own credit risk, as it will be the Group company that will be required to pay the counterparty.

The assessment of own and counterparty risk takes into account the existence of contractual guarantees (collateral), which can be used to offset a credit loss in the event of suspension of payments.

For derivatives with unrealised losses, the own credit risk applied to adjust the market price is that of each individual company or project assessed and not the Group or sub-group to which they belong. To do so, an internal rating is prepared for each company/project using objective parameters such as financial ratios, indicators, etc.

For derivatives with unrealised gains, since accounting standards do not provide a specific methodology that should be applied, an accepted "best practice" method has been used, which takes three elements into account in order to calculate the adjustment to obtain the result by multiplying the level of exposure in the position by the probability of default and by any loss in the event of non-compliance.

In addition, a sensitivity test is carried out on the derivatives and net financial debt in order to be able to analyse the effect that a possible fluctuation in interest rates might have on the Group's accounts, under the assumption of an increase and a decrease in the rates at year end in different variation scenarios (see Note 21). The procedure is similar in the case of changes in exchange rates.

Meanwhile, any gains or losses on fair value for credit risk of derivatives are recognised in the consolidated income statement when the derivatives are qualified as speculative (non-hedging); if the derivatives are classified as hedging instruments and recognised directly in equity, then the gains or losses on fair value are also recognised in equity.

Financial instruments measured after their initial recognition at fair value are classified into levels 1 to 3 based on the degree to which fair value is observable (see Note 21).

Note 22 to these accompanying Consolidated Annual Accounts details the financial derivatives that the ACS Group has arranged, among other related aspects.

### Interbank Interest Rate Reform

The Group maintains various hedging relationships with hedging instruments and hedged items where the interest rate benchmark is the Euribor. This interest rate benchmark is subject to reform and, therefore, certain long-term hedging relationships may be affected by the reform.

For this purpose, certain accounting policies applicable to hedging transactions are subject to a temporary exceptions as a result of the interbank interest rate reform.

The Group considers that a hedging relationship is directly affected by the reform only if the reform gives rise to uncertainties regarding:

- The interest rate benchmark designated as a hedged risk (contractually or non-contractually specified); and/or
- The timing or the amount of interest rate benchmark-based cash flows of the hedged item or of the hedging instrument.

The exceptions apply only to the requirements set out below while the remaining accounting requirements must be applied to the affected hedging relationships.

When determining whether a transaction is highly probable, the Group must assume that the interest rate benchmark on which the hedged cash flows are based is not altered as a result of the reform.

When determining whether future cash flows are expected to occur, the Group must assume that the interest rate benchmark on which the hedged cash flows are based is not altered as a result of the reform.

The Group must assume that the interest rate benchmark on which the hedged cash flows and/or hedged risk are based or the interest rate benchmark on which the cash flows from the hedging instrument are based is not altered as a result of the reform.

The Group assessed the potential impact that the interbank interest rate reform will have on the financial statements, and concluded that there will be no significant impact.

### **03.16. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable for the goods received and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Revenue and expenses are recognised on an accrual basis, i.e., when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises.

Pursuant to IFRS 15, the Group identifies and separates the various commitments to transfer a good or service under a contract. This implies recognising separately the revenue from each of the obligations that could be individually identified within the same host contract.

The Group also estimates the price of each of the contracts that have been identified taking into account, in addition to the initial price agreed in the contract, the amount of the variable consideration and the time value of money (where a significant financing component is considered) and non-cash considerations.

In those cases where the amount is variable or in line with claims not approved, the amount is estimated using the approach that best predicts the amount to which the Group will be entitled, using either a probability-based expected value or the single most likely amount. The above consideration will only be recognised to the extent that it is considered highly likely that a significant reversal of recognised revenue will not occur when the associated uncertainty is resolved.

Following is a detail of certain of the particular features of the business activities carried on by the Group:

Revenue from construction activities:

#### **Revenue:**

Due to the nature of the activity, its revenue usually comes from long-term contracts where the start date and end date of the contract's activity are generally in different accounting periods, therefore the initial estimates of income and expenses may be subject to variations that could affect the recognition of revenue, expenses and profit or loss.

The Group recognises the revenue from construction contracts in accordance with the percentage of completion method, whereby the percentage of completion is estimated either by reference to the stage of completion of the contract activity at the balance sheet date, determined on the basis of an examination of the work performed, or on the basis of the percentage of costs incurred compared to the total estimated costs. In the first case, based on the measurement of the units completed, the work performed is recognised in each period as revenue and the costs are recognised on an accrual basis corresponding to the units completed. In the second case, revenue is recognised in the income statement based on the stage of completion measured in terms of costs incurred (the costs incurred versus the total estimated costs in the contract), applied to the total project revenue that is considered highly likely to be obtained from the project. The latter is common in markets with an Anglo-Saxon influence and contracts without unit prices.

In some circumstances (for example, in the early stages of a contract), the Group may not be able to reasonably measure the outcome with a performance obligation, even if the Group expects to recover the costs incurred in satisfying the performance obligation. In those circumstances, the Group recognises revenue from ordinary activities only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

Also, in contracts where the estimated costs of a contract are considered to exceed the revenue from the contract, a provision is recognised for the expected losses with a charge to the consolidated income statement for the year in which they arise.

Contract revenue is recognised considering the initial amount of the contract agreed with the customer, and modifications and claims on the contract to the extent that it is highly probable that income will be obtained from the contract, which can be reliably measured and does not imply a significant reversal in the future.

A contract modification is considered to exist when there is an instruction from the customer to change the scope of the contract. A claim is considered to exist on contracts when costs not included in the initial contract are incurred by the customer or third parties (delays, errors in specifications or design, etc.) and the contractor has the right to be compensated for the overruns incurred either by the customer or by the third party from whom the overruns originated.

These modifications and claims are included as revenue from the contract when the customer has approved the related work, either in writing, by verbal agreement or implied by customary business practices, i.e. when payment is considered highly probable and there will be no significant reversal of revenue in the future.

In cases where the works are approved but not yet priced or where, although customer approval has not yet been obtained, the Group considers that final approval is highly likely due to negotiations having reached an advanced stage or as a result of internal technical and/or legal reports or reports from independent experts that support it, the amount to be recognised as revenue is estimated in accordance with the definition of "variable consideration" set out in IFRS 15, i.e. using those methods that better predict the amount of the consideration so that the most likely amount is obtained (a single most likely amount in a range of possible consideration amounts), taking into account all available information (historical, current and forecast) that is reasonably available and only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

As mentioned previously, construction contracts are subject to estimates of revenue and costs that need to be reviewed by project managers as the projects progress. Any modification of the estimates of revenue, expenses and the final profit or loss of the work is subject to revision by the various levels of upper management and when they are verified and approved, the effect is treated as a change in the accounting estimate in the year in which it occurs and in subsequent periods, in accordance with the accounting regulations in force.

## Expenses:

Project costs include those directly related to the host contract and any modifications or claims associated with the contract. They also include those costs related to the procurement activity of each contract, such as insurance, consultants, design and technical assistance, etc.

These costs are recognised on an accrual basis, with the costs related to the completed units of work and the total indirect costs of the contract attributable to them being recognised as an expense.

Those expenses related to future contract activity, such as insurance premiums, work facilities, consultants, design and other preliminary work, are initially recognised as assets under "Inventories" — provided they are considered necessary for the performance of the contract and that they will be recovered with performance of the contract —, and are taken to the income statement in accordance with the percentage of completion of the contract.

Machinery removal and site installation dismantling costs, upkeep costs within the guarantee period and the costs, if any, arising in the period from the completion of the construction work to the date of final settlement are accrued over the life of the construction project, as they take into account more of the cost of the work and relate to both the completed units of work and the future activity of the contract.

As regards the depreciation of fixed assets involved in performance of the contract, those assets with an estimated useful life that coincides with the contractual term are depreciated throughout performance of the contract so that they are fully depreciated upon completion. For machinery with a useful life that exceeds the contractual term, the depreciation charge is distributed on the basis of technical criteria among the different contracts to which it will be assigned and it is depreciated on a straight-line basis over the course of each contract.

Late-payment interest resulting from a delay in the payment of progress billings by the customer is recognised as finance income only when it can be reliably measured and its collection is reasonably assured.

The Group Companies record in the Trade and the other receivables chapter in the "Completed work pending certification" account the positive difference between the recognized revenue of a contract and the amount related to the certifications from the same. They also record in the Trade and other payables chapter in the "Advances received on orders" account the amount of advance certifications for various items, including advances received from customer.

### 03.16.01. Construction activities

In construction contracts, as a general rule a single performance obligation is identified due to the high degree of integration and customisation of the different goods and services to offer a joint product, which is transferred to the customer over time.

As indicated above, the method chosen by the ACS Group as the preferred method is the "measured unit of work" based on the output method, which is applied provided that during execution the progress of the work carried out can be measured and there is an allocation of prices to each unit of work.

The input method known as "stage of completion measured in terms of costs incurred" can only be applied in those contracts where it is not possible to determine the unit price of the units to be completed.

In this case, revenue is recognised in the income statement based on the stage of completion measured in terms of costs incurred (costs incurred versus total estimated costs in the contract), applied to the total project revenue that is considered highly likely to be obtained from the project.

### 03.16.02. Services and other activities

In this case there is no single type of contract due to the wide variety of services provided. In general, contracts include various tasks and unit prices where revenue is recognised in the income statement



when services are provided on a time elapsed basis, i.e., when the customer simultaneously receives and consumes the benefits provided by the performance of the service as it occurs. This is the case, for example, for recurring or routine services such as facilities management, cleaning, etc.

Certain contracts include different types of activities that are subject to fixed unit price tables for the provision of the services that are delivered and that form part of the complete contract. The customer requests each service through work orders that are considered an independent performance obligation and the associated revenue is recognised depending on the specific requirements established in the contract for approval.

For complex long-term contracts that include the provision of various services involving different performance obligations (construction, maintenance, operation, etc.), where payment is made periodically and the price corresponding to these obligations is indicated in the contract or can be determined, revenue is recognised for the recurring services using the time elapsed method and the stage of completion method for more complex performance obligations where it is not possible to assign prices to each of the units completed.

### **3.17. Expense recognition**

An expense is recognised in the consolidated income statement when there is a decrease in the future economic benefits related to a reduction of an asset, or an increase in a liability, which can be measured reliably. This means that an expense is recognised simultaneously to the recognition of the increase in a liability or the reduction of an asset.

Additionally, an expense is recognised immediately when a disbursement does not give rise to future economic benefits or when the requirements for recognition as an asset are not met.

Also, an expense is recognised when a liability is incurred and no asset is recognised, as in the case of a liability relating to a guarantee.

### **03.18. Offsetting**

Asset and liability balances must be offset and the net amount is presented in the consolidated statement of financial position when, and only when, they arise from transactions in which, contractually or by law, offsetting is permitted and the Group companies intend to settle them on a net basis, or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities due to temporary differences are offset at year-end if they relate to the same jurisdiction and are consistent in nature and maturity. The ACS Group offsets deferred tax assets and deferred tax liabilities if, and only if, the entity:

- (a) has a legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### **03.19. Income tax**

The income tax expense represents the sum of the current tax expense and the change in deferred tax assets and liabilities.

The current income tax expense is calculated by aggregating the current tax arising from the application of the tax rate to the taxable profit (tax loss) for the year, after deducting the tax credits allowable for tax purposes, plus the change in deferred tax assets and liabilities.

Deferred tax assets and liabilities include temporary differences measured at the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax bases, and tax loss and tax credit carryforwards. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences, unless the temporary difference arises from the initial recognition of goodwill or the initial recognition (except in the case of a business

combination) of other assets and liabilities in a transaction that affects neither accounting profit (loss) nor taxable profit (tax loss).

Deferred tax assets are recognised for temporary differences to the extent that it is considered probable that the consolidated companies will have sufficient taxable profits in the future against which the deferred tax asset can be utilised, and the deferred tax assets do not arise from the initial recognition (except in a business combination) of other assets and liabilities in a transaction that affects neither accounting profit (loss) nor taxable profit (tax loss). The other deferred tax assets (tax loss and tax credit carryforwards) are only recognised when it is probable that the consolidated companies will have sufficient taxable profits in the future against which they can be utilised.

The deferred tax assets and liabilities recognised are reassessed at the end of each reporting period in order to ascertain whether they still exist and the appropriate adjustments are made on the basis of the findings of the analyses performed. Deferred tax assets and liabilities due to temporary differences are offset at year-end if they relate to the same jurisdiction and are consistent in nature and maturity.

The Spanish companies more than 75% owned by the Parent Company file consolidated tax returns, as part of Tax Group 30/99, in accordance with current law.

#### Tax uncertainties

If the Group determines that the tax authority is not likely to accept an uncertain tax treatment or a group of uncertain tax treatments, it considers this uncertainty in the determination of taxable profit (tax loss), tax bases, tax loss carryforwards, tax credits or tax rates. The Group determines the effect of the uncertainty on the corporate income tax return using the expected value method when the range of possible outcomes is highly dispersed, or the most likely amount method when the outcome is binary or concentrated on one value. In cases where the tax asset or liability calculated using these methods exceeds the amount reported in the self-assessments, this amount is recognised as current or non-current in the consolidated statement of financial position on the basis of the expected date of recovery or liquidation, whereas the amount of any late payment interest on the liability is recognised on the income statement as it accrues. The Group recognises changes in facts and circumstances regarding tax uncertainties as a change in estimates.

#### **03.20. Earnings per share**

Basic earnings per share are calculated by dividing net profit attributable to the Parent Company by the weighted average number of ordinary shares outstanding during the year, excluding the average number of shares of the Parent Company held by the Group companies (see Note 31.01).

Diluted earnings per share are calculated by dividing net profit or loss attributable to ordinary shareholders adjusted by the effect attributable to the dilutive potential ordinary shares by the weighted average number of ordinary shares outstanding during the year, adjusted by the weighted average number of ordinary shares that would have been outstanding assuming the conversion of all the potential ordinary shares into ordinary shares of the Parent Company. For these purposes, it is considered that the shares are converted at the beginning of the year or at the date of issue of the potential ordinary shares, if the latter were issued during the current period.

The ACS share option plan currently in force (Note 28.03) does not involve the issuance of new shares in the future and, therefore, does not affect diluted earnings per share. As at 31 December 2021, as a result of the simultaneous capital increase and reduction in 2022, for the same number of shares, the basic earnings and diluted earnings per share for continuing operations for 2021 are the same.

#### **03.21. Foreign currency transactions**

The Group's presentation currency is the euro. Therefore, transactions in currencies other than the euro are considered to be "foreign currency transactions" and are recognised by applying the exchange rates prevailing at the date of the transaction.

Foreign currency transactions are initially recognised in the functional currency of the Group by applying the exchange rates prevailing at the date of the transaction.

At each reporting date, monetary assets and liabilities denominated in foreign currencies are translated to euros at the rates prevailing at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

The exchange rates of the main currencies in which the ACS Group operates in 2021 and 2020 are as follows:

|                           | Average exchange rate |       | Closing exchange rate |       |
|---------------------------|-----------------------|-------|-----------------------|-------|
|                           | 2021                  | 2020  | 2021                  | 2020  |
| 1 U.S. Dollar (USD)       | 0.846                 | 0.872 | 0.883                 | 0.815 |
| 1 Australian Dollar (AUD) | 0.634                 | 0.604 | 0.640                 | 0.629 |
| 1 Polish Zloty (PLN)      | 0.219                 | 0.224 | 0.218                 | 0.220 |
| 1 Mexican Peso (MXN)      | 0.042                 | 0.040 | 0.043                 | 0.041 |
| 1 Canadian Dollar (CAD)   | 0.677                 | 0.651 | 0.696                 | 0.643 |
| 1 British Pound (GBP)     | 1.165                 | 1.127 | 1.190                 | 1.119 |
| 1 Argentine Peso (ARS)    | 0.009                 | 0.012 | 0.009                 | 0.010 |
| 1 Saudi Riyal (SAR)       | 0.226                 | 0.232 | 0.234                 | 0.217 |

All exchange rates are in euros.

Any exchange differences arising on settlement or translation at the closing rates of monetary items are recognised in the consolidated income statement for the year, except for those arising on items that form part of an investment in a foreign operation, which are recognised directly in equity net of taxes until the date of disposal.

On certain occasions, in order to hedge its exposure to certain foreign currency risks, the Group enters into forward currency contracts and options (see Note 21 for details of the Group's accounting policies in respect of such derivative financial instruments).

On consolidation, the assets and liabilities of the Group's foreign operations are translated to euros at the exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly. Any translation differences arising are classified as equity. These translation differences are recognised as income or as expenses in the period in which the investment is made or disposed of.

Goodwill and fair value adjustments arising on the acquisition of a company with a currency other than the euro are treated as assets and liabilities of that company and are translated at the closing rate.

### **03.22. Entities and branches located in hyperinflationary economies**

Given the economic situation in Venezuela and in accordance with the definition of hyperinflationary economy provided by IAS 29, the country has been classified as hyperinflationary since 2009 and at the end of 2021 it continued to be classified as such. The ACS Group has investments in Venezuela through subsidiaries of the Construction and Industrial Services divisions; the amounts outstanding as at 31 December 2021 and 2020, with the volume of transactions in the years 2021 and 2020 being immaterial.

In 2021 and 2020, the Group recognised the relevant impact when considering the hyperinflationary economic situation in Argentina, as regards its ownership interests in subsidiaries in the Construction and Industrial Services Division, the impact of which was immaterial for the ACS Group.

None of the functional currencies of the consolidated subsidiaries and associates located abroad relate to hyperinflationary economies as defined by IFRSs. Accordingly, at the 2021 and 2020 accounting close it was not necessary to adjust the financial statements of any of the subsidiaries or associates to correct for the effect of inflation.

### 03.23. Consolidated statement of cash flow

The following terms are used in the consolidated statements of cash flows with the meanings specified:

- Cash flows: inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.
- Operating activities: the principal revenue-producing activities of the Group and other activities that are not investing or financing activities.
- Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities: activities that result in changes in the size and composition of the equity and liabilities that are not operating activities.

In view of the diversity of its businesses and activities, the Group opted to report cash flows using the indirect method.

In preparing the consolidated statement of cash flows, cash and cash equivalents were considered to be "cash on hand", demand deposits at banks and short-term, highly liquid investments that are easily convertible into cash and are subject to an insignificant risk of changes in value.

The breakdown of "Other adjustments to profit (net)" in the consolidated statement of cash flows for 2021 and 2020 is as follows:

|   | Thousands of Euros |                  |
|---|--------------------|------------------|
|   | 31/12/2021         | 31/12/2020 ( * ) |
| Financial income  | (102,555)          | (143,030)        |
| Financial costs   | 362,517            | 376,653          |
| Impairment and gains or losses on disposals of non-current assets       | 199,642            | (1,077,070)      |
| Ordinary results of companies accounted for using the equity method     | (272,745)          | (155,298)        |
| Non-ordinary results of companies accounted for using the equity method | (680)              | (10,712)         |
| Impairment and gains or losses on disposal of financial instruments     | (14,267)           | (111,411)        |
| Changes in the fair value of financial instruments                      | 91,821             | (77,635)         |
| Cash Flows from discontinued operatong                                  | 431,131            | 455,289          |
| Other effects   | 251,168            | 722,233          |
| <b>Total</b>  | <b>946,032</b>     | <b>(20,981)</b>  |

( \* ) Restated.

The breakdown of "Interest received" in the consolidated statement of cash flows for 2021 and 2020 is as follows:

|                                      | Thousands of Euros |                |
|--------------------------------------|--------------------|----------------|
|                                      | 31/12/2021         | 31/12/2020     |
| Operative interest received          | 93,201             | 106,926        |
| Interest received from bank accounts | 10,832             | 15,306         |
| Other non-operative                  | 4,943              | 11,295         |
| <b>Total</b>                         | <b>108,976</b>     | <b>133,527</b> |

In preparing the consolidated statement of cash flows for 2021 and 2020, the acquisitions of ACS treasury shares were included under "Equity instrument proceeds/(and payment)" in the section on cash flows from financing activities (see Note 15.04). In 2021 not only the amount received but also the cash derecognised as a result of the sale amounting to EUR 1,298,901 thousand were considered as a divestment as a result

of the sale of most of the Industrial Services Division. This also included the purchase of Devine (see Note 02.02.f), which was not held, for an amount of EUR 9.9 million (AUD 15.6 million). In 2020 this heading also included the acquisitions of treasury shares of Hochtief (EUR 168.1 million), the acquisition of Cimic shares by Hochtief (EUR 103.2 million) and the treasury shares acquired by Cimic (EUR 170.4 million).

In relation to the investee BIC Contracting LLC (BICC), EUR 53.6 million were included in 2021 (EUR 844.1 million in 2020) as cash outflows under "Other financing activity proceeds and payables" in the statement of cash flows as a result of the obligations assumed in 2019 following the exit of BICC.

In relation to cash flows, in accordance with IFRS 16.50, cash payments for the interest portion of the lease liability are still classified as financing activities by applying the same alternative as permitted by IAS 7.33 Statement of Cash Flows in force for financial interest.

In relation to cash flows from investments in property, plant and equipment, intangible assets, projects and property investments made during the year, a distinction must be made between operating investments and non-operating investments. The detail is as follows:

|   | Thousands of Euros |                |
|---|--------------------|----------------|
|   | 2021               | 2020           |
| Operational Investments   | 166,564            | 546,613        |
| Operational investments discontinued operations   | 31,399             | —              |
| <b>Operational Investments</b>  | <b>197,963</b>     | <b>546,613</b> |
| - Kinkardine Floating Offshore Wind Project in Scotland   | 60,958             | 204,353        |
| - Central Solar Termoeléctrica Cáceres  | 4,099              | 7,431          |
| - Photovoltaic Projects in Spain  | 34                 | 15,472         |
| - Wind Farms Projects in Spain  | 1,027              | 49,683         |
| - Other projects  | 5,050              | 52,909         |
| - Other projects discontinued operations  | 117,076            | —              |
| <b>Investments in Projects</b>  | <b>188,244</b>     | <b>329,848</b> |
| Investment in property, plant and equipment, intangible assets, projects and investment property                            | 237,731            | 876,461        |
| Investment in property, plant and equipment, intangible assets, projects and investment property in discontinued operations | 148,475            | —              |
| <b>Investment in tangible assets, intangible assets, projects and real estate investments</b>                               | <b>386,207</b>     | <b>876,461</b> |

The reconciliation of the carrying amount of the liabilities arising from financing activities, separately disclosing the changes that generate cash flows from those that do not for 2021 and 2020, is as follows:

|  | Thousands of Euros |                    |
|--|--------------------|--------------------|
|  | 31/12/2021         | 31/12/2020         |
| <b>Initial net debt (Note 21)</b>                | <b>(1,819,771)</b> | <b>(1,019,404)</b> |
| <b>Cash flows</b>                                |                    |                    |
| Issue of financial liabilities                   | (4,634,213)        | (7,785,734)        |
| Amortization of financial liabilities            | 4,362,179          | 5,881,261          |
| Cash and cash equivalents                        | 2,829,832          | 374,641            |
| <b>No Impact of Flows</b>                        |                    |                    |
| Change in net debt held for sale (Note 01.04)    | 329,515            | 452,780            |
| Exchange difference                              | 256,020            | (200,246)          |
| Reclassifications                                | 131,288            | 561,207            |
| Change in the consolidation perimeter and others | 553,790            | (84,276)           |
| <b>Final net debt (Note 29)</b>                  | <b>2,008,640</b>   | <b>(1,819,771)</b> |

The changes in the consolidation perimeter relate mainly to the acquisition of Servicios Compresión de Gas CA-KU-A1, which was considered an asset held for sale at the end of 2021 (see Note 03.09.02).

### 03.24 Entry into force of new accounting standards

#### Changes in accounting policies

The following mandatory standards and interpretations, already adopted in the European Union, came into force in 2021 and, where applicable, were used by the Group in these preparation of the Consolidated Annual Accounts:

#### **(1) New standards, amendments and interpretations whose application is mandatory in the year beginning 1 January 2021:**

| Approved for use in the European Union   |   | Mandatory application in the years beginning on or after: |
|--|---|---|
| Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16<br>Interest Rate Benchmark Reform - Phase 2 | Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 related to the benchmark reform (second phase).                                | 1 January 2021  |
| Amendments to IFRS 4<br>Deferral of the application of IFRS 9  | Deferral of the application of IFRS 9 until 2023.   |   |
| Amendments to IFRS 16<br>Leases Rent concessions<br>(published in March 2021)                        | Amendment to extend the deadline for application of the practical expedient of IFRS 16 envisaged for Covid-19-related rent concessions. | 1 April 2021 ( * )  |

( \* ) Early application is permitted.

As regards IFRS 9, IAS 39 and IFRS 7, the IASB has modified certain requirements of hedging relationships to be able to continue to apply hedge accounting on the assumption that certain interest rate benchmarks on which the cash flows of hedging instruments and hedged items are based are not affected by the uncertainties generated by the reform of supply interest rates in the interbank market (IBOR indices). As at 31 December 2020, Phase I of this amendment was completed and was not significant for the Group. The IASB continues to develop guidance and amendments to address the various accounting considerations that may arise when the various IBORs are modified or replaced by other rates. In this second phase, certain practical solutions, clarifications and exceptions are proposed with the aim of reflecting as best as possible the financial assets and liabilities, and lease liabilities in the financial statements of companies as a result of the IBOR reform.

The other rules have been applied without any significant impact on the figures presented or the presentation and disclosure of the information, either because they did not entail any material changes or because they refer to economic events that do not affect the ACS Group.

#### **(2) New standards, amendments and interpretations whose application is mandatory subsequent to the calendar year beginning 1 January 2021 (applicable from 2022 onwards):**

At the date of preparation of these Consolidated Annual Accounts, the following standards and interpretations had been published by the IASB but had not yet come into force, either because their effective date is subsequent to the date of the Consolidated Annual Accounts or because they had not yet been adopted by the European Union:

| <b>Approved for use in the European Union</b>  |   | <b>Mandatory application in the years beginning on or after:</b> |
|--|---|--|
| Amendments to IFRS 3<br>Reference to the Conceptual Framework<br>(published in May 2020)             | IFRS 3 is updated to bring the definitions of assets and liabilities in a business combination into line with those contained in the conceptual framework. In addition, certain clarifications are introduced regarding the recognition of contingent liabilities and assets.                                       | 1 January 2022   |
| Amendments to IAS 16<br>Proceeds before intended use<br>(published in May 2020)                      | The amendment prohibits a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Proceeds from selling such items, together with production costs, must be recognised in profit or loss. |  |
| Amendments to IAS 37<br>Onerous contracts - Cost of fulfilling a contract<br>(published in May 2020) | The amendment specifies that the direct cost of fulfilling a contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling the contract.   |  |
| Improvements to IFRSs, 2018-2020 cycle<br>(published in May 2020)                                    | Minor amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41.   |  |

| <b>Not yet approved for use in the European Union</b>   |  | <b>Mandatory application in the years beginning on or after:</b> |
|---|--|--|
| Amendments to IAS 1<br>Classification of liabilities as current or non-current  | Clarifications regarding the presentation of liabilities as current or non-current.  | 1 January 2023   |
| Amendments to IAS 1<br>Disclosure of accounting policies<br>(published in February 2021)  | Amendments that require companies to appropriately identify the material accounting policy information that should be disclosed in the financial statements.   |  |
| Amendments to IAS 8<br>Definition of accounting estimate<br>(published in February 2021)  | Amendments and clarifications to help entities distinguish changes in accounting estimates.  |  |
| Amendments to IAS 12<br>Deferred tax related to assets and liabilities arising from a single transaction<br>(published in May 2021) | Clarifications on how companies should account for deferred tax on transactions such as leases and decommissioning obligations.  |  |
| IFRS 17 Insurance contracts and its amendments<br>(published in May 2017 and the amendments in June 2020)                           | It replaces IFRS 4 and establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts to ensure that entities provide relevant and reliable information that gives a basis for users of the financial information to assess the effect that insurance contracts have on the financial statements. |  |

The directors do not expect any significant impact from the introduction of the amendments that have been published but have not come into force, as they are prospective applications, changes in presentation and disclosure and/or deal with aspects that are not applicable or not significant to the Group's operations.

## 04. Intangible assets

### 04.01. Goodwill

The detail by line of business of the changes in goodwill in 2021 and 2020 is as follows:

| Line of Business    | Thousands of Euros    |                             |               |                           |            |                      |                                | Balance at 31/12/2021 |
|---------------------|-----------------------|-----------------------------|---------------|---------------------------|------------|----------------------|--------------------------------|-----------------------|
|                     | Balance at 31/12/2020 | Change consolidation method | Additions     | Disposals and allocations | Impairment | Exchange differences | Transfers to/from other assets |                       |
| Parent              | 743,140               | —                           | —             | (188,720)                 | —          | —                    | —                              | 554,420               |
| Infrastructure      | 1,934,814             | —                           | 7,728         | 5                         | —          | 13,978               | 12,353                         | 1,968,878             |
| Industrial Services | 44,181                | —                           | 102           | (43,835)                  | —          | (448)                | —                              | —                     |
| Services            | 140,918               | —                           | 5,850         | —                         | —          | 2,187                | —                              | 148,955               |
| <b>Total</b>        | <b>2,863,053</b>      | <b>—</b>                    | <b>13,680</b> | <b>(232,550)</b>          | <b>—</b>   | <b>15,717</b>        | <b>12,353</b>                  | <b>2,672,253</b>      |

| Line of Business    | Thousands of Euros    |                             |              |                           |            |                      |                                | Balance at 31/12/2020 |
|---------------------|-----------------------|-----------------------------|--------------|---------------------------|------------|----------------------|--------------------------------|-----------------------|
|                     | Balance at 31/12/2019 | Change consolidation method | Additions    | Disposals and allocations | Impairment | Exchange differences | Transfers to/from other assets |                       |
| Parent              | 743,140               | —                           | —            | —                         | —          | —                    | —                              | 743,140               |
| Infrastructure      | 2,297,502             | (89,303)                    | —            | (244,675)                 | —          | (29,550)             | 840                            | 1,934,814             |
| Industrial Services | 58,991                | (3,829)                     | 532          | —                         | —          | (592)                | (10,921)                       | 44,181                |
| Services            | 137,817               | —                           | 4,684        | —                         | —          | (1,583)              | —                              | 140,918               |
| <b>Total</b>        | <b>3,237,450</b>      | <b>(93,132)</b>             | <b>5,216</b> | <b>(244,675)</b>          | <b>—</b>   | <b>(31,725)</b>      | <b>(10,081)</b>                | <b>2,863,053</b>      |

In accordance with the table above, the most significant goodwill is the result of the full consolidation of Hochtief, A.G., amounting to EUR 1,144,226 thousand at 31 December 2021 (EUR 1,144,226 thousand at 31 December 2020), and the result of the merger of the Parent Company with Grupo Dragados, S.A., which amounted to EUR 554,420 thousand at 31 December 2021 (EUR 743,140 thousand at 31 December 2020).

In 2021, the most substantial variation relates to the reduction of goodwill held in the Parent Company tied to the Industrial Services business sold on 31 December 2021 for EUR 188,720 thousand in accordance with the agreement with Vinci, (see Note 03.09.02), and the goodwill of the Industrial Services Division itself, which was derecognised as a result of the sale and amounted to EUR 44,181 thousand at 31 December 2020.

The most significant variation in 2020 related to a reduction of EUR 244,675 thousand resulting from the loss of control in December 2020 due to the sale of 50% of the share capital of Thiess and the joint control agreement with Elliott (see Note 02.02.f). This company was fully consolidated and, therefore, the deconsolidation of all the assets and liabilities of this company led to the derecognition of the portion of the value corresponding to Thiess in the goodwill allocated to the business carried out by Hochtief Asia Pacific that was still recognised.

As regards goodwill, as a general rule on 30 September each year, the ACS Group compares the carrying amount of the company or cash-generating unit (CGU) against its value in use, determined using the discounted cash flow method. Given the substantial improvement in the situation caused by the COVID-19 pandemic, there were no indications of impairment detected during the six months of 2021 and, therefore, the goodwill was discounted at 30 September in accordance with the Company's accounting policy. There have been no significant changes in the assumptions used when testing the Group's goodwill for impairment that could give rise to a significant risk of recognising an impairment loss in the future. It should be noted that the market value of the holding in Hochtief is higher than its carrying amount.

As regards the goodwill generated by the purchase of Hochtief, A.G. in 2011, in accordance with IAS 36.80, this goodwill was allocated to the main cash-generating units, namely Hochtief Asia Pacific and Hochtief Americas. The goodwill allocated to the business carried out by Hochtief Asia Pacific amounts to EUR 857 million (EUR 857 million at 31 December 2020 after the sale of 50% of Thiess completed on 31 December



2020), while EUR 287 million is allocated to the Hochtief Americas business (EUR 287 million at 31 December 2020). In 2021 the ACS Group assessed the recoverability of this goodwill.

In preparing the impairment test of Hochtief's goodwill allocated to the business carried out by Hochtief Asia Pacific, the ACS Group used the following basic assumptions:

- Five-year forecasts used based on internal estimates.
- Weighted perpetual growth rate of 1.86% (2.4% in 2020).
- Weighted discount rate of 8.31% (7.63% in 2020). The discount rate used represents a premium of 611 basis points over the return on the long-term interest rate (10-year bond weighted on the basis of the countries in which it operates) published by Bloomberg on 30 September 2021.

As for the sensitivity analysis of the impairment test on the goodwill allocated to Hochtief's Asia Pacific business, the most relevant aspects are that the goodwill test would withstand a discount rate of approximately 9.23%, representing a range of approximately 92 basis points, and a perpetual growth rate of 0.72%. Furthermore, it would withstand an annual drop in cash flows of approximately 20% compared to projected cash flows.

In the case of the Hochtief Americas business, the following basic assumptions were made:

- Five-year forecasts used based on internal estimates.
- Perpetual growth rate of 1.5% (2.2% in 2020), equal to the risk-free rate.
- Discount rate of 5.48% (5.34% in 2020).

As for the sensitivity analysis of the impairment test on the goodwill allocated to Hochtief's Americas business, the most relevant aspects are that the goodwill test, even assuming a cash position of zero euros, would withstand a discount rate of more than 34%, and an annual drop in cash flows of more than 87% compared to the projected cash flows.

It should also be noted that the share price of Hochtief, A.G. at 31 December 2021 (EUR 71.00 per share) was higher than its carrying amount.

Along with the goodwill arising from the above full consolidation of Hochtief, A.G., the most significant goodwill, which amounted to EUR 554,420 thousand (EUR 743,140 thousand at 31 December 2020), arose from the merger with the Dragados Group in 2003 and related to the amount paid in excess of the value of the assets on the acquisition date. This goodwill was allocated mainly to the Dragados Construcción and Industrial Services cash-generating units as detailed as follows:

| Cash-generating unit  | Goodwill allocated    |                       |
|-----------------------|-----------------------|-----------------------|
|                       | Thousands of Euros    |                       |
|                       | Balance at 31/12/2021 | Balance at 31/12/2020 |
| Infrastructure        | 554,420               | 554,420               |
| Industrial Services   | —                     | 188,720               |
| <b>Total goodwill</b> | <b>554,420</b>        | <b>743,140</b>        |

In 2021, the ACS Group assessed the recoverability of the goodwill allocated to Construction, comparing the carrying amount of the company or cash-generating unit (CGU) against its value in use, determined using the discounted cash flow method and internal projections for each of the companies. The recoverability of the goodwill relating to Construction and Industrial Services was assessed in 2020.

The discount rate used is its weighted average cost of capital. In order to calculate discount rate for Dragados, a weighted discount rate by country is used taking into consideration Dragados' sales in the main countries in which it operates as of September 2021, i.e., the United States, Spain, Canada, Poland, the United Kingdom, Peru and Chile. The following are used to calculate the discount rate for each of the countries: the 10-year bond yield; the unlevered beta of the sector according to Damodaran, relevered by

the target debt; and the market risk premium by country according to Damodaran. The cost of the gross debt is the consolidated effective real cost of the debt at September 2021 and the tax rate used is the theoretical rate. The perpetual growth rate (g) used is equal to the weighted risk-free rate used to calculate the WACC. Given that the estimated weighted CPI increase in the countries where Dragados operates for 2026 according to the IMF report of October 2021 (2.07%) is higher than the risk-free rate of 1.43%, the risk-free rate is used as the assumption for the CPI increase.

The key assumptions used in the valuation of the Dragados Construction cash-generating unit are as follows:

- Five-year forecasts used based on internal estimates.
- Weighted perpetual growth rate of 1.43% (1.8% in 2020).
- Weighted discount rate of 5.63% (7.73% in 2020).

The main variables considered in this test did not differ significantly from those considered in the impairment test of the previous year.

After testing the impairment of the cash-generating unit to which the goodwill arising from the merger with the Dragados Group in 2003 has been allocated, it has been determined, based on the above assumptions, that under no circumstances is the estimated recoverable amount of the cash-generating unit less than its carrying amount, as there is no evidence of its impairment.

No reasonable scenario gave rise for the need to recognise an impairment loss. The impairment tests for the Construction cash-generating unit showed that it would withstand substantial increases in the discount rates of over 800 basis points and significant negative deviations (over 2.5%) in the budgeted EBITDA without incurring an impairment loss.

According, the Directors consider that the sensitivity ranges of the tests as regards the key assumptions are within a reasonable range and, therefore, no impairment was detected in 2021 or 2020.

In relation to the remaining goodwill, excluding that generated by the merger between ACS and the Dragados Group and the goodwill arising from the full consolidation of Hochtief, A.G., in the case of the Services area, the total amount comes to EUR 148,955 thousand (EUR 140,918 thousand at 31 December 2020), corresponding to 22 different companies, the largest of which relates to the purchase of Clece for EUR 115,902 thousand (EUR 115,902 thousand at 31 December 2020).

In the Construction area, it also includes the goodwill from the acquisitions of Pulice for EUR 61,050 thousand (EUR 50,400 thousand at 31 December 2020), Schiavone for EUR 52,719 thousand (EUR 48,660 thousand at 31 December 2020) and John P Picone for EUR 54,093 thousand (EUR 44,061 thousand at 31 December 2020), and the goodwill from the Hochtief Group following the takeover.

In these areas, the impairment tests to calculate the goodwill are based on assumptions similar to those described for each area of activity or in the case of Dragados Group goodwill, taking into account the necessary adjustments based on the peculiarities, geographical markets and specific circumstances of the companies concerned.

According to the estimates and projections available to the directors of the Group and of each of the companies concerned, the projected cash flows attributable to these cash-generating units (or groups of units) to which the goodwill is allocated will make it possible to recover the carrying amount of each item of goodwill recognised at 31 December 2021.

As indicated in IAS 36, as of 31 December 2021 the Group has not found any evidence of significant impairment on goodwill and other assets subject to impairment testing. There have been no significant changes in the assumptions used when testing the Group's goodwill for impairment that could give rise to a significant risk of recognising an impairment loss in the future. It should be noted that the market value of the holding in Hochtief is higher than its carrying amount.

No impairment losses were recognised in 2021 or 2020 on the ACS Group's goodwill.

#### 04.02. Other intangible assets

The changes in this heading in the consolidated statement of financial position in 2021 and 2020 were as follows:

|  | Thousands of Euros |                   |                |                         |                               |                          |                   |                                    |
|--|--------------------|-------------------|----------------|-------------------------|-------------------------------|--------------------------|-------------------|------------------------------------|
|  | Development        | Computer software | Concessions    | Other intangible assets | Total other intangible assets | Accumulated amortisation | Impairment losses | Total other intangible assets, net |
| <b>Balance at 1 January of 2020</b>                              | <b>8,438</b>       | <b>42,901</b>     | <b>301,213</b> | <b>2,088,233</b>        | <b>2,440,785</b>              | <b>(1,436,622)</b>       | <b>(58,254)</b>   | <b>945,909</b>                     |
| Changes in the consolidation perimeter                           | —                  | 238               | 11,025         | (143,614)               | <b>(132,351)</b>              | 43,937                   | 6,502             | <b>(81,912)</b>                    |
| Additions or charges for the year                                | 5,613              | 2,595             | 13,371         | 43,603                  | <b>65,182</b>                 | (106,521)                | (11,339)          | <b>(52,678)</b>                    |
| Disposals or reductions  | —                  | (1,252)           | (6,550)        | (2,454)                 | <b>(10,256)</b>               | 9,730                    | 3                 | <b>(523)</b>                       |
| Exchange differences   | —                  | (729)             | (2,240)        | (28,013)                | <b>(30,982)</b>               | 7,865                    | 4,429             | <b>(18,688)</b>                    |
| Transfers to/from other assets                                   | —                  | 358               | 2,128          | 3,468                   | <b>5,954</b>                  | (1,936)                  | —                 | <b>4,018</b>                       |
| <b>Balance at 31 December of 2020</b>                            | <b>14,051</b>      | <b>44,111</b>     | <b>318,947</b> | <b>1,961,223</b>        | <b>2,338,332</b>              | <b>(1,483,547)</b>       | <b>(58,659)</b>   | <b>796,126</b>                     |
| Changes in the consolidation perimeter                           | —                  | (356)             | 2,270          | 4,116                   | <b>6,030</b>                  | (3,877)                  | —                 | <b>2,153</b>                       |
| Additions or charges for the year                                | 2,824              | 858               | 6,125          | 1,365                   | <b>11,172</b>                 | (68,888)                 | (5,623)           | <b>(63,339)</b>                    |
| Disposals or reductions  | —                  | (491)             | (5,463)        | (5,653)                 | <b>(11,607)</b>               | 10,148                   | —                 | <b>(1,459)</b>                     |
| Exchange differences   | —                  | 306               | 6,864          | 12,719                  | <b>19,889</b>                 | (10,739)                 | (3,981)           | <b>5,169</b>                       |
| Transfers to assets held for sale and disposable groups of items | (9,040)            | (25,007)          | (15,551)       | (141,923)               | <b>(191,521)</b>              | 67,948                   | 1,496             | <b>(122,077)</b>                   |
| Transfers to/from other assets                                   | 69                 | 452               | 3,614          | (13,056)                | <b>(8,921)</b>                | (10,344)                 | 9,851             | <b>(9,414)</b>                     |
| <b>Balance at 31 December of 2021</b>                            | <b>7,904</b>       | <b>19,873</b>     | <b>316,806</b> | <b>1,818,791</b>        | <b>2,163,374</b>              | <b>(1,499,299)</b>       | <b>(56,916)</b>   | <b>607,159</b>                     |

The additions in 2021 amounted to EUR 11,172 thousand (EUR 65,182 thousand in 2020) relating mainly to Hochtief in the amount of EUR 8,949 thousand (EUR 15,959 thousand in 2020), the Services area in the amount of EUR 1,612 thousand (EUR 792 thousand in 2020), and Dragados in the amount of EUR 482 thousand (EUR 792 thousand in 2020). The non-current assets held for sale of the Industrial Services division were transferred since this area was considered a discontinued operation in 2021 (see Note 03.09.02). As a result of the sale of Thiess, intangible assets amounting to EUR 104 million were derecognised at 31 December 2020.

In 2021 impairment losses amounting to EUR 5,623 thousand were recognised under “Other intangible assets” (EUR 11,111 thousand in 2020). No impairment losses were reversed in the consolidated income statements for 2021 or 2020.

The main assets recognised under “Other intangible assets” correspond to those generated in the first Hochtief consolidation process as a result of the allocation of the price to the fair value of the assets acquired and the liabilities assumed under the PPA (“Purchase Price Allocation”). This process most notably includes Hochtief’s construction backlog (mainly due to contracts in the Americas and Asia Pacific), prior to amortisation and impairment, amounting to EUR 603,655 thousand (EUR 603,655 thousand at 31 December 2020), which are fully amortised; the various trademarks of the Hochtief Group amounting to EUR 221,096 thousand (EUR 221,096 thousand at 31 December 2020); and the contractual relationships with customer of the Hochtief Group amounting to EUR 598,189 thousand (EUR 598,189 thousand at 31 December 2020). The accumulated amortisation on the above-mentioned assets amounted to EUR 1,037,505 thousand (EUR 996,511 thousand at 31 December 2020). The amortisation charge for the year amounted to EUR 41,937 thousand (EUR 45,147 thousand at 31 December 2020).

In 2021 and 2020, no development expenditure was recognised as an expense in the consolidated income statement for 2021 and 2020, respectively.

At 31 December 2021, the amount of assets with an indefinite useful life other than those reported as “Goodwill,” relate mainly the trademarks of the Hochtief Americas and Hochtief Asia Pacific divisions amounting to EUR 43,315 thousand (EUR 40,269 thousand at 31 December 2020). Indications of possible impairment is verified annually. There were no significant impairment losses on these assets in 2021 or 2020.

At the end of 2021, the ACS Group had fully amortised intangible assets still in use with a gross carrying amount of EUR 625,686 thousand (EUR 650,045 thousand at 31 December 2020).

There were no material intangible asset items whose title was restricted in 2021 or 2020.

## 05. Tangible assets – property, plan and equipment

The changes in this heading in the consolidated statement of financial position in 2021 and 2010 were as follows:

|  | Thousands of Euros |                     |                         |  |   |                          |                   |   |
|--|--------------------|---------------------|-------------------------|--|---|--------------------------|-------------------|---|
|  | Land and buildings | Plant and machinery | Other intangible assets | Advances and Property, plant and equipment in the course of construction | Total tangible assets - property, plant and equipment | Accumulated depreciation | Impairment losses | Total net tangible assets - property, plant and equipment |
| <b>Balance at 1 January of 2019</b>                              | <b>1,554,154</b>   | <b>3,859,758</b>    | <b>1,005,478</b>        | <b>118,551</b>   | <b>6,537,941</b>                                      | <b>(3,817,363)</b>       | <b>(41,091)</b>   | <b>2,679,487</b>  |
| Changes in the consolidation perimeter                           | (131,340)          | (1,937,059)         | (14,873)                | —  | <b>(2,083,272)</b>                                    | 1,337,796                | 3,649             | <b>(741,827)</b>  |
| Additions or charges for the year                                | 144,978            | 541,634             | 134,511                 | 50,055   | <b>871,178</b>  | (852,721)                | (903)             | <b>17,554</b>   |
| Disposals or reductions  | (121,637)          | (493,920)           | (106,046)               | (187)  | <b>(721,790)</b>                                      | 663,413                  | 473               | <b>(57,904)</b>   |
| Exchange differences   | (90,994)           | (257,400)           | (43,233)                | (8,351)  | <b>(399,978)</b>                                      | 259,393                  | 1,898             | <b>(138,687)</b>  |
| Transfers from / to other assets                                 | 56,907             | (1,292)             | (20,807)                | 2,238  | <b>37,046</b>   | (31,592)                 | —                 | <b>5,454</b>  |
| <b>Balance at 31 December of 2020</b>                            | <b>1,412,068</b>   | <b>1,711,721</b>    | <b>955,030</b>          | <b>162,306</b>   | <b>4,241,125</b>                                      | <b>(2,441,074)</b>       | <b>(35,974)</b>   | <b>1,764,077</b>  |
| Changes in the consolidation perimeter                           | 139                | (27,938)            | (27,902)                | (108)  | <b>(55,809)</b>                                       | 26,379                   | —                 | <b>(29,430)</b>   |
| Additions or charges for the year                                | 114,315            | 138,000             | 60,903                  | 21,512   | <b>334,730</b>  | (395,660)                | (358)             | <b>(61,288)</b>   |
| Disposals or reductions  | (150,474)          | (238,881)           | (95,752)                | (383)  | <b>(485,490)</b>                                      | 449,320                  | 61                | <b>(36,109)</b>   |
| Exchange differences   | 24,629             | 56,636              | 22,440                  | 7,939  | <b>111,644</b>  | (60,025)                 | (1,710)           | <b>49,909</b>   |
| Transfers to assets held for sale and disposable groups of items | (235,531)          | (208,626)           | (294,308)               | (25,353)   | <b>(763,818)</b>                                      | 522,992                  | 15,003            | <b>(225,823)</b>  |
| Transfers from / to other assets                                 | 10,700             | 35,908              | 2,854                   | (33,408)   | <b>16,054</b>   | (12,522)                 | —                 | <b>3,532</b>  |
| <b>Balance at 31 December of 2021</b>                            | <b>1,175,846</b>   | <b>1,466,820</b>    | <b>623,265</b>          | <b>132,505</b>   | <b>3,398,436</b>                                      | <b>(1,910,590)</b>       | <b>(22,978)</b>   | <b>1,464,868</b>  |

The most notable change in this heading relates to the transfer to non-current assets held for sale as a result of the Industrial Services Division being considered a discontinued operation, which was subsequently derecognised following the sale to Vinci (see Note 03.09.02).

In 2021 and 2020, items of property, plant and equipment were acquired for EUR 334,730 thousand and EUR 871,178 thousand, respectively. In accordance with IFRS 16, this heading includes the rights to use the leased assets.

In 2021, the most noteworthy acquisitions by division relate mainly to the Infrastructure area for EUR 279,858 thousand — primarily in investments made by Hochtief amounting to EUR 190,721 thousand (in particular, tunnelling machines and mining machinery) and by Dragados amounting to EUR 85,704 thousand —, and to the Services area for EUR 54,726 thousand, mainly for the acquisition of machinery and industrial vehicles. In the Industrial Services area, there were no additions to this heading, mainly as a result of being considered a discontinued operation in 2021.

In 2020, the most noteworthy acquisitions by division relate mainly to the Infrastructure area for EUR 714,959 thousand — primarily in investments made by Hochtief amounting to EUR 601,722 thousand (in particular, tunnelling machines) and by Dragados for EUR 111,969 thousand —, by the Industrial Services area for EUR 111,191 thousand for the acquisition of new machinery and equipment to carry out new projects, and to the Services area for EUR 44,922 thousand, mainly for the acquisition of machinery and industrial vehicles.

Similarly, assets were also sold in 2021 and 2020 for a total carrying amount of EUR 36,110 thousand and EUR 57,904 thousand, respectively, which had a residual effect on the Group's income statement. The most significant disposals in 2021 relate mainly to the sale of machinery at Hochtief for EUR 20,404 thousand (EUR 28,867 thousand in 2020) and the sale of machinery at Dragados for EUR 1,994 thousand (EUR 14,178 thousand in 2020).

At 31 December 2021, the Group had contractual commitments for the future acquisition of property, plant and equipment for a value of EUR 27,652 thousand (EUR 50,667 thousand at 31 December 2020), corresponding mainly to commitments to invest in machinery for Dragados amounting to EUR 7,023 thousand (EUR 2,411 thousand at 31 December 2020) and in technical installations for Hochtief amounting to EUR 20,544 thousand (EUR 46,931 thousand at 31 December 2020).

The impairment losses recognised in the consolidated income statement for 2021 and 2020 are not significant. The impairment losses reversed and recognised in the consolidated income statement for 2021 amounted to EUR 694 thousand for Hochtief. No impairment losses were reversed or recognised in the consolidated income statement in 2020.

## Leases

In accordance with IFRS 16 "Leases", at 31 December 2021 EUR 470,896 thousand (EUR 572,885 thousand at 31 December 2020) in net right-of-use assets were recognised under "Property, plant and equipment" in the consolidated statement of financial position. The detail of the right-of-use assets at 31 December 2021 and 2020 is as follows:

|  | Thousands of Euros |                     |                         |   |                          |                   |   |
|--|--------------------|---------------------|-------------------------|---|--------------------------|-------------------|---|
|  | Land and buildings | Plant and machinery | Other intangible assets | Total tangible assets - property, plant and equipment | Accumulated depreciation | Impairment losses | Total net tangible assets - property, plant and equipment |
| <b>Balance at 31 December of 2019</b>                            | <b>1,047,526</b>   | <b>587,565</b>      | <b>216,835</b>          | <b>1,851,926</b>                                      | <b>(965,982)</b>         | <b>(70)</b>       | <b>885,874</b>  |
| Changes in the consolidation perimeter                           | (66,115)           | (439,288)           | (18,814)                | <b>(524,217)</b>                                      | 262,974                  | —                 | <b>(261,243)</b>  |
| Additions or charges for the year                                | 140,080            | 143,285             | 65,662                  | <b>349,027</b>  | (343,778)                | (66)              | <b>5,183</b>  |
| Disposals or reductions  | (112,470)          | (114,153)           | (53,744)                | <b>(280,367)</b>                                      | 255,259                  | —                 | <b>(25,108)</b>   |
| Exchange differences   | (22,731)           | (29,415)            | (8,978)                 | <b>(61,124)</b>                                       | 28,756                   | 6                 | <b>(32,362)</b>   |
| Transfers from / to other assets                                 | (548)              | 3,323               | (6,090)                 | <b>(3,315)</b>  | 3,856                    | —                 | <b>541</b>  |
| <b>Balance at 31 December of 2020</b>                            | <b>985,742</b>     | <b>151,317</b>      | <b>194,871</b>          | <b>1,331,930</b>                                      | <b>(758,915)</b>         | <b>(130)</b>      | <b>572,885</b>  |
| Changes in the consolidation perimeter                           | 822                | (25,349)            | 156                     | <b>(24,371)</b>                                       | 7,416                    | —                 | <b>(16,955)</b>   |
| Additions or charges for the year                                | 111,399            | 32,819              | 31,370                  | <b>175,588</b>  | (174,718)                | (173)             | <b>697</b>  |
| Disposals or reductions  | (152,465)          | (35,805)            | (37,054)                | <b>(225,324)</b>                                      | 209,546                  | —                 | <b>(15,778)</b>   |
| Exchange differences   | 22,035             | 8,767               | 5,633                   | <b>36,435</b>   | (19,554)                 | (3)               | <b>16,878</b>   |
| Transfers from / to other assets                                 | (117,935)          | (9,389)             | (45,042)                | <b>(172,366)</b>                                      | 86,495                   | —                 | <b>(85,871)</b>   |
| Transfers to assets held for sale and disposable groups of items | (1,851)            | (202)               | (685)                   | <b>(2,738)</b>  | 1,778                    | —                 | <b>(960)</b>  |
| <b>Balance at 31 December of 2021</b>                            | <b>847,747</b>     | <b>122,158</b>      | <b>149,249</b>          | <b>1,119,154</b>                                      | <b>(647,952)</b>         | <b>(306)</b>      | <b>470,896</b>  |

The change in “Right-of-use assets” in 2021 relates mainly to the transfer to non-current assets held for sale, given that it was considered a discontinued operation and these assets were subsequently derecognised following the sale to Vinci for a net amount of EUR 85,871 thousand (see Note 03.09.02). Furthermore, the additions in the Infrastructure area of EUR 132,497 thousand (EUR 263,530 thousand in 2020) should be noted, in particular the investments made by Hochtief amounting to EUR 115,007 thousand (EUR 212,533 thousand in 2020). In 2020, disposals most notably included the net change in the consolidation perimeter amounting to EUR 261,466 thousand, mainly due to the sale of 50% of Thiess.

The depreciation and amortisation relating to the right to use the assets recognised in accordance with IFRS 16 “Leases” in 2021 amounted to EUR 175,457 thousand (EUR 311,290 thousand in 2020) and the recognition of interest on the lease obligation amounted to EUR 22,168 thousand in 2021 (EUR 33,102 thousand in 2020) included in the consolidated income statement.

“Non-current lease liabilities” and “Current lease liabilities” associated with these “Right-of-use assets” at 31 December 2021 amounted to EUR 401,430 and EUR 150,765 thousand, respectively (EUR 472,836 and EUR 192,173 thousand at 31 December 2020, respectively).

The detail of the lease liabilities, by maturity, at 31 December 2021 is as follows:

|                   | Thousands of Euros |             |        |        |                           |                   |
|-------------------|--------------------|-------------|--------|--------|---------------------------|-------------------|
|                   | Current            | Non-current |        |        |                           |                   |
|                   | 2022               | 2023        | 2024   | 2025   | 2026 and subsequent years | Total non-current |
| Lease liabilities | <b>150,765</b>     | 254,468     | 33,878 | 24,539 | 88,545                    | <b>401,430</b>    |

The detail of the lease liabilities, by maturity, at 31 December 2020 is as follows:

|                   | Thousands of Euros |             |        |        |                           |                   |
|-------------------|--------------------|-------------|--------|--------|---------------------------|-------------------|
|                   | Current            | Non-current |        |        |                           |                   |
|                   | 2021               | 2022        | 2023   | 2024   | 2025 and subsequent years | Total non-current |
| Lease liabilities | <b>192,173</b>     | 294,657     | 50,135 | 28,328 | 99,716                    | <b>472,836</b>    |

Variable lease payments were not material and 31 December 2021 and 2020.

Sublease income is not significant since the ACS Group companies operate on a lessee rather than a lessor basis.

There are assets leased under short-term leases or leases of low-value assets that do not apply IFRS 16 “Leases” since throughout the Group there are very short-term leases, generally for three to six months, or ongoing monthly agreements or contracts with termination clauses. For each lease, the Group analyses and assesses whether it is reasonably certain that the lease will be extended. These considerations include assessing the requirements of the asset in the project, the scope of the work that is to be carried out with this asset, and other relevant economic aspects to adequately assess the lease term. At 31 December 2021, the expenses accrued in the amount of EUR 228,394 thousand (EUR 246,373 thousand at 31 December 2020) on the above assets were recognised under “Other operating expenses” in the consolidated income statement. As indicated in Note 02.01, the impact on the ACS Group’s activities as a result of the COVID-19 pandemic was moderate or limited, so a potential impairment loss on the assets in this category was not considered.

The Group has taken out insurance policies to cover the possible risks to which its property, plant and equipment are subject and the claims that might be filed against it for carrying on its business activities. These policies are considered to adequately cover the related risks.

At 31 December 2021 and 2020, no significant items of property, plant and equipment were subject to restrictions.

The ACS Group has mortgaged land and buildings with a carrying amount of approximately EUR 2,768 thousand (EUR 33,170 thousand in 2020) to secure banking facilities granted to the Group.

At 31 December 2021, the Group had recognised EUR 1,133,908 thousand, net of depreciation, relating to property, plant and equipment owned by foreign companies and branches of the Group (EUR 1,293,004 thousand at 31 December 2020).

## 06. Non-current assets in projects

The balance of "Non-current assets in projects" in the consolidated statement of financial position as at 31 December 2021, includes the costs incurred by the fully consolidated companies in the construction of transport, service and power plant infrastructures whose operation forms the subject matter of their respective concessions. These amounts related to property, plant and equipment associated with projects financed under a project finance arrangement and concessions identified as intangible assets or those that are included as a financial asset according to the criteria discussed in Note 03.04. To better understand its activities relating to infrastructure projects, the Group considers it more appropriate to present its infrastructure projects in a grouped manner, although they are broken down by type of asset (financial or intangible) in this Note.

The most significant change in this heading relates to the consideration of the Industrial Services Division as a discontinued operation and the subsequent reclassification of its non-current assets in projects to non-current assets held for sale and their subsequent derecognition following the sale to Vinci (see Note 03.09).

All project investments made by the ACS Group at 31 December 2021 are as follows:

| Type of infrastructure | End date of operation | Thousands of Euros |                          |   |
|------------------------|-----------------------|--------------------|--------------------------|---|
|                        |                       | Investment         | Accumulated depreciation | Carrying amount of non-current assets in projects |
| Highways / roads       | 2026                  | 181,914            | (114,936)                | 66,978  |
| Other infrastructures  | —                     | 6,138              | (263)                    | 5,875   |
| <b>Total</b>           |                       | <b>188,052</b>     | <b>(115,199)</b>         | <b>72,853</b>                                     |

The changes in this heading in 2021 and 2020 were as follows:

|  | Thousands of Euros |                          |                     |                |                          |                     |
|--|--------------------|--------------------------|---------------------|----------------|--------------------------|---------------------|
|  | 2021               |                          |                     | 2020           |                          |                     |
|  | Investment         | Accumulated depreciation | Net carrying amount | Investment     | Accumulated depreciation | Net carrying amount |
| <b>Beginning balance</b>   | <b>607,657</b>     | <b>(201,506)</b>         | <b>406,151</b>      | <b>261,942</b> | <b>(92,732)</b>          | <b>169,210</b>      |
| Changes in the consolidation perimeter                           | —                  | —                        | —                   | 343,956        | (98,713)                 | 245,243             |
| Additions or charges for the year                                | 2,410              | (12,725)                 | (10,315)            | 41,675         | (13,803)                 | 27,872              |
| Exchange differences   | (774)              | (18)                     | (792)               | (18,538)       | 2,826                    | (15,712)            |
| Disposals or reductions  | (12,965)           | —                        | (12,965)            | (1,944)        | —                        | (1,944)             |
| Transfers to assets held for sale and disposable groups of items | (99,630)           | 3,093                    | (96,537)            | —              | —                        | —                   |
| Transfers  | (308,646)          | 95,957                   | (212,689)           | (19,434)       | 916                      | (18,518)            |
| <b>Ending balance</b>  | <b>188,052</b>     | <b>(115,199)</b>         | <b>72,853</b>       | <b>607,657</b> | <b>(201,506)</b>         | <b>406,151</b>      |

The breakdown of this heading by type, in accordance with IFRIC 12, is as follows:

- The concession assets identified as intangible assets, as a result of the Group assuming demand risk at 31 December 2021, are as follows:

| Type of infrastructure | End date of operation | Thousands of Euros |                          |   |
|------------------------|-----------------------|--------------------|--------------------------|---|
|                        |                       | Investment         | Accumulated depreciation | Carrying amount of non-current assets in projects |
| Highways / roads       | 2026                  | 181,873            | (114,897)                | 66,976  |
| Other infrastructures  | -                     | 1,819              | (263)                    | 1,556   |
| <b>Total</b>           |                       | <b>183,692</b>     | <b>(115,160)</b>         | <b>68,532</b>                                     |

|  | Thousands of Euros |                          |                     |                |                          |                     |
|--|--------------------|--------------------------|---------------------|----------------|--------------------------|---------------------|
|  | 2021               |                          |                     | 2020           |                          |                     |
|  | Investment         | Accumulated depreciation | Net carrying amount | Investment     | Accumulated depreciation | Net carrying amount |
| <b>Beginning balance</b>   | <b>189,742</b>     | <b>(104,424)</b>         | <b>85,318</b>       | <b>189,907</b> | <b>(91,785)</b>          | <b>98,122</b>       |
| Changes in the consolidation perimeter                           | —                  | —                        | —                   | —              | —                        | —                   |
| Additions or charges for the year                                | —                  | (12,719)                 | (12,719)            | —              | (12,655)                 | (12,655)            |
| Exchange differences   | 140                | (18)                     | 122                 | (155)          | 16                       | (139)               |
| Transfers to assets held for sale and disposable groups of items | (6,190)            | 2,001                    | (4,189)             | —              | —                        | —                   |
| Transfers  | —                  | —                        | —                   | (10)           | —                        | (10)                |
| <b>Ending balance</b>  | <b>183,692</b>     | <b>(115,160)</b>         | <b>68,532</b>       | <b>189,742</b> | <b>(104,424)</b>         | <b>85,318</b>       |

- The concession assets identified as financial assets, as a result of the Group not assuming the demand risk as at 31 December 2021, along with the changes in this heading in 2021 and 2020 are as follows:

| Type of infrastructure | End date of operation | Thousands of Euros                                     |
|------------------------|-----------------------|--|
|                        |                       | Collection rights arising from concession arrangements |
| Other infrastructures  | —                     | 4,317  |
| <b>Total</b>           |                       | <b>4,317</b>   |

|                                | Thousands of Euros |               |
|--------------------------------|--------------------|---------------|
|                                | 2021               | 2020          |
| <b>Beginning balance</b>       | <b>15,786</b>      | <b>26,145</b> |
| Investment                     | —                  | 82            |
| Finance income                 | 2,410              | 3,448         |
| Collections                    | —                  | (12,162)      |
| Exchange differences           | (914)              | (1,102)       |
| Transfers from/to other assets | —                  | (625)         |
| <b>Ending balance</b>          | <b>4,317</b>       | <b>15,786</b> |

In accordance with the measurement bases of IFRIC 12 and Note 03.04, the amount of financial remuneration included under “Revenue” amounted to EUR 2,410 thousand in 2021 (EUR 3,448



thousand in 2020), with no amounts in 2021 and 2020 corresponding to concession assets identified as financial assets classified as “Non-current assets held for sale and discontinued operations”.

The borrowing costs accrued in relation to the financing of the concessions classified under the financial asset model were immaterial in 2021 and 2020.

- The detail of the financial assets financed under a project finance arrangement that do not meet the requirements for recognition in accordance with IFRIC 12 as at 31 December 2021 and the changes in this heading in 2021 and 2020 are as follows:

| Type of infrastructure | End date of operation | Thousands of Euros |                          |   |
|------------------------|-----------------------|--------------------|--------------------------|---|
|                        |                       | Investment         | Accumulated depreciation | Carrying amount of non-current assets in projects |
| Highways / roads       | 2026                  | 41                 | (39)                     | 2   |
| Other infrastructures  | -                     | 2                  | —                        | 2   |
| <b>Total</b>           |                       | <b>43</b>          | <b>(39)</b>              | <b>4</b>  |

|  | Thousands of Euros |                          |                     |                |                          |                     |
|--|--------------------|--------------------------|---------------------|----------------|--------------------------|---------------------|
|  | 2021               |                          |                     | 2020           |                          |                     |
|  | Investment         | Accumulated depreciation | Net carrying amount | Investment     | Accumulated depreciation | Net carrying amount |
| <b>Beginning balance</b>   | <b>402,129</b>     | <b>(97,082)</b>          | <b>305,047</b>      | <b>45,891</b>  | <b>(947)</b>             | <b>44,944</b>       |
| Changes in the consolidation perimeter                           | —                  | —                        | —                   | 343,956        | (98,713)                 | 245,243             |
| Additions or charges for the year                                | —                  | (6)                      | (6)                 | 50,307         | (1,148)                  | 49,159              |
| Exchange differences   | —                  | —                        | —                   | (17,281)       | 2,810                    | (14,471)            |
| Disposals or reductions  | —                  | —                        | —                   | (1,945)        | —                        | (1,945)             |
| Transfers to assets held for sale and disposable groups of items | (93,440)           | 1,092                    | (92,348)            | —              | —                        | —                   |
| Transfers  | (308,646)          | 95,957                   | (212,689)           | (18,799)       | 916                      | (17,883)            |
| <b>Ending balance</b>  | <b>43</b>          | <b>(39)</b>              | <b>4</b>            | <b>402,129</b> | <b>(97,082)</b>          | <b>305,047</b>      |

Simultaneously, there are concession assets that are not financed under a project finance arrangement amounting to EUR 5,672 thousand (EUR 43,254 thousand at 31 December 2020) that are recognised as “Other intangible assets”.

No investments in projects were made in 2021. In 2020, the main investments in projects related to the Industrial Services Division, made mainly in desalination plants, in the amount of EUR 50,306 thousand.

There were no significant additions to the consolidation perimeter in 2021. In 2020, the additions to the consolidation perimeter amounted to EUR 343,983 thousand, most notably including the Tonopah Solar Energy solar thermal plant. The transfers carried out in 2021 relate to the classification as “Non-current assets held for sale and discontinued operations”.

In 2021 and 2020, no impairment losses were recognised in the consolidated income statement. Similarly, no significant impairment losses were reversed or recognised in the consolidated income statement for 2021 or 2020.

At 31 December 2021 and 2020, the Group had no significant contractual commitments for the acquisition of non-current assets in projects.

The financing relating to non-current assets in projects is explained in Note 18. The concession operators are also obliged to hold restricted cash reserves, known as reserve accounts, included under “Other current financial assets” (see Note 10.05).

Lastly, it should be noted that the Group has non-current assets in projects classified under “Non-current assets held for sale and discontinued operations” (see Note 03.09).

## 07. Investment property

The changes in this heading in 2021 and 2020 were as follows:

|  | Thousands of Euros |               |
|--|--------------------|---------------|
|  | 2021               | 2020          |
| <b>Beginning balance</b>   | <b>42,298</b>      | <b>41,595</b> |
| Changes in the consolidation perimeter                           | —                  | 4,460         |
| Additions  | —                  | 12            |
| Sales / decreases  | —                  | (2,371)       |
| Charges for the year   | (1,563)            | (1,045)       |
| Transfers from / to other assets                                 | 1,789              | (353)         |
| Transfers to assets held for sale and disposable groups of items | (1,521)            | —             |
| <b>Ending balance</b>  | <b>41,003</b>      | <b>42,298</b> |

The rental income earned from investment property amounted to EUR 6,962 thousand in 2021 (EUR 3,693 thousand in 2020). The average occupancy level of the above assets was 44% (33% in 2020) with an average leased area of 52,424 square metres (39,145 square metres in 2020).

The direct operating expenses arising from investment properties included under “Other operating expenses” amounted to EUR 1,732 thousand in 2021 (EUR 900 thousand in 2020).

There were no significant contractual obligations for the acquisition, construction or development of investment property or for repairs, maintenance and improvements.

At the beginning of 2021, the gross carrying amount was EUR 56,110 thousand and accumulated depreciation (increased by accumulated impairment losses) amounted to EUR 13,812 thousand. At year-end, the gross carrying amount and accumulated depreciation were EUR 57,191 thousand and EUR 16,188 thousand, respectively. There were no material differences with respect to fair value in the accompanying Consolidated Annual Accounts.

## 08. Joint arrangements

The main aggregates included in the accompanying Consolidated Annual Accounts relating to unincorporated joint ventures and economic interest groupings for 2021 and 2020, in proportion to the percentage of ownership interest in the share capital of each joint venture, are as follows:

|   | Thousands of Euros |            |
|---|--------------------|------------|
|   | 2021               | 2020 ( * ) |
| Net asset                               | 1,879,153          | 1,370,674  |
| Pre-tax profit or loss                  | (133,342)          | 21,476     |
| Income tax expense ( - ) / income ( + ) | 33,622             | (10,786)   |
| Post-tax profit or loss                 | (99,720)           | 10,690     |
| Other comprehensive income              | (809)              | (3,887)    |
| Total comprehensive income              | (100,529)          | 6,803      |

( \* ) Restated.

The identification data relating to the main ACS Group unincorporated joint ventures are detailed in Appendix II.

## 09. Investments in companies accounted for using the equity method

### 09.01. Companies accounted for using the equity method

The breakdown, by type of entity, of the companies accounted for using the equity method as at 31 December 2021 and 2020, is as follows:

|                             | Thousands of Euros |                  |
|-----------------------------|--------------------|------------------|
|                             | 2021               | 2020             |
| Associates                  | 3,081,312          | 3,033,374        |
| Jointly controlled entities | 1,442,917          | 1,446,177        |
| <b>Total</b>                | <b>4,524,229</b>   | <b>4,479,551</b> |

The changes in this heading in 2021 and 2020 were as follows:

|  | Thousands of Euros |                  |
|--|--------------------|------------------|
|  | 2021               | 2020 ( * )       |
| <b>Beginning balance</b>   | <b>4,479,551</b>   | <b>4,411,440</b> |
| Additions  | 247,708            | 339,682          |
| Disposals  | (92,107)           | (165,528)        |
| Change in consolidation method                                       | 1,653              | 684,694          |
| Transfers to assets held for sale and disposable groups of items     | —                  | 2,821            |
| Profit for the year  | 254,555            | 87,415           |
| Changes in the equity of associates                                  |                    |                  |
| Exchange differences/other   | 92,161             | (75,577)         |
| Cash flow hedges   | 91,754             | (22,707)         |
| Financial assets held for sale                                       | (9,314)            | (5,009)          |
| Transfer to non-current assets held for sale/discontinued operations | 1,119              | <b>528</b>       |
| Distribution of dividends  | (454,031)          | <b>(716,523)</b> |
| Others   | (88,820)           | <b>(61,685)</b>  |
| <b>Ending balance</b>  | <b>4,524,229</b>   | <b>4,479,551</b> |

( \* ) Restated.

“Ordinary results of companies accounted for using the equity method” and “Non-ordinary results of companies accounted for using the equity method” in the consolidated income statement for 2021 also include the profit or loss of companies accounted for using the equity method and that have been classified under “Non-current assets held for sale and discontinued operations”, which amounts to EUR 18,870 thousand (EUR 78,595 thousand in 2020).

The detail, by division, of the investments in companies accounted for using the equity method at 31 December 2021 and 2020 is as follows:

| Line of Business              | Thousands of Euros  |                            |                       |                     |                              |                       |
|-------------------------------|---------------------|----------------------------|-----------------------|---------------------|------------------------------|-----------------------|
|                               | 31/12/2021          |                            |                       | 31/12/2020          |                              |                       |
|                               | Share of net assets | Profit/(Loss) for the year | Total carrying amount | Share of net assets | Profit / (Loss) for the year | Total carrying amount |
| Infrastructure                | 4,268,373           | 255,753                    | <b>4,524,126</b>      | 4,355,858           | 109,530                      | <b>4,465,388</b>      |
| Industrial Services           | 1,198               | (1,198)                    | —                     | 36,423              | (22,115)                     | <b>14,308</b>         |
| Services                      | 103                 | —                          | <b>103</b>            | —                   | —                            | —                     |
| Corporate unit and Adjustment | —                   | —                          | —                     | (145)               | —                            | <b>(145)</b>          |
| <b>Total</b>                  | <b>4,269,674</b>    | <b>254,555</b>             | <b>4,524,229</b>      | <b>4,392,136</b>    | <b>87,415</b>                | <b>4,479,551</b>      |

#### – Infrastructure

At 31 December 2021, the Infrastructures area most notably includes the investment in Abertis amounting to EUR 2,782,886 thousand (EUR 2,868,396 thousand at 31 December 2020) and the remaining investments from the Hochtief Group accounted for using the equity method in the amount of EUR 1,398,485 thousand (EUR 1,268,949 thousand at 31 December 2020). In this last case, it should be noted that Thies is accounted for as a joint venture using the equity method for EUR 796 million (EUR 712 million at 31 December 2020) (see Note 02.02.f).

The ACS Group’s investment in Abertis Holdco, S.A. accounted for using the equity method amounted to a total of EUR 2,782,886 thousand (EUR 2,868,396 thousand at 31 December 2020), corresponding to the 20.0% interest in Hochtief and 30.0% directly from ACS itself (both included under the Infrastructures area). The net contribution by Abertis to the ACS Group’s consolidated profit in 2021 amounted to a profit of EUR 117,229 thousand (a loss of EUR 34,511 thousand in 2020).

#### Joint ventures

As indicated in Note 02.02.f, the sale of Thies was completed on 31 December 2020, with the ACS Group jointly controlling Thies with Elliott. The transaction was therefore recognised at year-end 2020 as a sale of a subsidiary in accordance with IFRS 10 and the 50% interest retained in the entity was recognised as a joint venture as there is joint control with Elliott.

#### – Industrial Services

The changes in Industrial Services in 2021 are mainly the result of considering this business a discontinued operation and its transfer to non-current assets held for sale prior to its derecognition following the sale to Vinci. (see Note 03.09.02). The main change in Industrial Services in 2020 compared to 2019 related to the change in the method of consolidation of Tonopah Solar Energy, which is now fully consolidated, and to the results of these companies in 2020.

## 09.02. Material associates / Joint arrangements

### Material associates and joint arrangements

In accordance with IFRS 12, the associates and joint ventures that are considered to be material at 31 December 2021 are Abertis Holdco, S.A. and its Subsidiaries and Thies Joint Venture.

The ACS Group owns 50% less one share of Abertis Holdco, S.A. The ACS Group's interest in Abertis Holdco, S.A. gives it a significant influence as defined in IAS 28 and, therefore, Abertis is accounted for as an associate using the equity method in these Consolidated Annual Accounts.

The table below shows the information on the company considered material under this heading of the consolidated statement of financial position:

| Abertis Holdco, S. A. and Subsidiaries                          | Thousands of Euros |                  |
|---|--------------------|------------------|
|   | 31/12/2021         | 31/12/2020       |
|   | 100%               | 100%             |
| Non-current assets  | 39,147,851         | 41,589,347       |
| Current assets  | 6,832,489          | 4,973,427        |
| Of which: Cash and cash equivalents                             | 4,073,672          | 3,268,024        |
| Asset held for sale   | —                  | 26,750           |
| Non-current liabilities   | 32,646,700         | 32,845,543       |
| Of which: Financial liabilities                                 | 26,287,550         | 26,301,003       |
| Current liabilities   | 3,380,626          | 4,193,594        |
| Of which: Financial liabilities                                 | 1,539,833          | 2,400,865        |
| Liabilities associate to assets held for sale                   | —                  | —                |
| <b>Net assets</b>   | <b>9,953,014</b>   | <b>9,550,387</b> |
| Minority interests  | 2,684,689          | 2,840,237        |
| <b>Equity attributable to the parent company</b>                | <b>7,268,325</b>   | <b>6,710,150</b> |
| Hybrid bond   | (1,954,894)        | (1,225,759)      |
| <b>Equity attributable homogenized to owners of the Company</b> | <b>5,313,431</b>   | <b>5,484,391</b> |
| Group's share of net assets (50%)                               | 2,656,716          | 2,742,196        |
| Capitalized acquisition-related costs                           | 126,170            | 126,200          |
| <b>Carrying amount of the investment</b>                        | <b>2,782,886</b>   | <b>2,868,396</b> |

| Abertis Holdco, S. A. and Subsidiaries                           | Thousands of Euros |                  |
|--|--------------------|------------------|
|  | 31/12/2021         | 31/12/2020       |
|  | 100%               | 100%             |
| Turnover   | 4,853,694          | 4,053,648        |
| Profit or loss from continuing operations                        | 26,024             | (178,435)        |
| Post-tax profit/(loss) from discontinued operations              | —                  | —                |
| <b>Profit / (loss) for the year</b>                              | <b>26,024</b>      | <b>(178,435)</b> |
| Non-controlling interest   | (263,822)          | (92,947)         |
| Profit/(loss) for the year attributable to owners of the company | 289,846            | (85,488)         |
| <b>Other comprehensive income</b>                                | <b>262,131</b>     | <b>(388,802)</b> |
| Minority interests other comprehensive income                    | 121,145            | (234,508)        |
| Other comprehensive income attributable to the parent company    | 140,986            | (154,294)        |
| <b>Total comprehensive income</b>                                | <b>288,155</b>     | <b>(567,237)</b> |
| Minority interests total comprehensive income                    | (142,677)          | (327,455)        |
| Total comprehensive income attributable to the parent company    | 430,832            | (239,782)        |
| <b>Group's share in total comprehensive income (50%)</b>         | <b>215,416</b>     | <b>(119,891)</b> |
| <b>in profit or loss</b>   | <b>144,923</b>     | <b>(42,744)</b>  |
| <b>in other comprehensive income</b>                             | <b>70,493</b>      | <b>(77,147)</b>  |

In 2021, the ACS Group received dividends from Abertis Holdco, S.A. amounting to EUR 296,845 thousand (EUR 431,926 thousand in 2020).

As a result of the positive performance of traffic in 2021, with increases above the forecasts on which Abertis based its recoverability test at the end of 2020, there were no indications of impairment on the investment in Abertis. However, in accordance with the Group's policies, an impairment test was carried out at 2021 year-end on the value of the investment in Abertis by comparing the recoverable amount with the carrying amount, and no impairment was detected. Against the backdrop of the COVID-19 pandemic, the ACS Group has compared the carrying amount of the cash-generating unit (CGU), which includes the goodwill, with the fair value obtained using the discounted cash flow method (Abertis Holdco, S.A. and Subsidiaries). In accordance with IAS 36, the ACS Group considered that the most appropriate methodology corresponds to the assessment of a projected finite period of 5 years (2022-2026) together with the estimate of a residual value.

Based on the budgets and latest long-term projections, the impairment test on the Abertis goodwill as at 31 December 2021 was prepared based on:

- The cash projections obtained from the income and expense projection for the entire Abertis Group for the period (2022-2026) carried out by Abertis.
- To determine the terminal value, a growth rate of 2.0% was applied to the operating free cash flow after taxes for the last projected year, i.e. 2026, and, additionally, a cash outflow for investments in perpetuity was considered equivalent to the amortisation over this period.

The discount rate (WACC) applied to the cash flow projections was 5.17% and, in the case of the terminal value, the WACC applied was increased by 2.0%.

In relation to the result of the goodwill impairment test, the recoverable amount obtained (determined on the basis of fair value as indicated above) exceeds the carrying amount of the goodwill and the assets, so that the carrying amount of the investment in Abertis recognised at 31 December 2021 by the ACS Group can be recovered. Therefore, no provisions for impairment had to be recognised.

Based on the sensitivity analysis performed, the impairment test shows certain leeway as regards the recoverable amount of the carrying amount and is sensitive to changes in the discount rate and cash flows

in perpetuity. Therefore, a drop in net operating profit after tax of more than 15% and an increase in the WACC by more than 75 basis points could result in the need to recognise an impairment loss on the consolidated carrying amount of Abertis.

### Thiess

On 31 December 2020, the Group finalised an agreement with funds managed by Elliott for the acquisition by Elliott of a 50% interest in the share capital of Thiess. The terms of the sale agreement means that the ACS Group no longer controls Thiess, but rather controls it jointly with Elliott and, therefore, the ACS Group derecognised the assets and liabilities of Thiess in the Consolidated Annual Accounts at 31 December 2020, and the remaining 50% of the interest held jointly with Elliott was recognised again at its fair value based on the sale price.

The table below shows the information on the company considered to be a material joint arrangement under this heading of the consolidated statement of financial position:

| Thiess Joint Venture                             | Thousands of Euros |                  |
|--|--------------------|------------------|
|  | 31/12/2021         | 31/12/2020       |
|  | 100%               | 100%             |
| Non-current assets                               | 2,935,703          | 2,902,873        |
| Current assets                                   | 634,774            | 461,312          |
| Of which: Cash and cash equivalents              | 132,309            | 80,335           |
| Non-current liabilities                          | 1,366,315          | 1,327,065        |
| Of which: Financial liabilities                  | 1,184,246          | 1,145,384        |
| Current liabilities                              | 548,319            | 599,523          |
| Of which: financial liabilities                  | 113,993            | 176,586          |
| <b>Net assets</b>                                | <b>1,655,843</b>   | <b>1,437,597</b> |
| Minority interests                               | 13,449             | 13,337           |
| <b>Equity attributable to the parent company</b> | <b>1,642,394</b>   | <b>1,424,260</b> |
| <b>Group's share of net assets (50%)</b>         | <b>796,222</b>     | <b>712,130</b>   |

| Thiess Joint Venture  | Thousands of Euros |
|---|--------------------|
|   | 31/12/2021         |
|   | 100%               |
| Turnover  | 2,123,287          |
| Other expenses  | (1,440,910)        |
| Depreciation and amortisation                                 | (392,256)          |
| Financial income  | 697                |
| Financial expenses  | (38,332)           |
| <b>Profit / (loss) before tax</b>                             | <b>252,486</b>     |
| Income tax  | (70,455)           |
| <b>Profit / (loss) for the year</b>                           | <b>182,031</b>     |
| Profit attributable to minority interests                     | (3,295)            |
| Profit/(loss) attributable to parent company                  | 178,736            |
| <b>Other comprehensive income</b>                             | <b>11,658</b>      |
| Minority interests other comprehensive income                 | 5,829              |
| Other comprehensive income attributable to the parent company | 5,829              |
| <b>Total comprehensive income</b>                             | <b>193,689</b>     |
| Minority interests total comprehensive income                 | 2,534              |
| Total comprehensive income attributable to the parent company | 191,155            |
| <b>Group's share in total comprehensive income (50%)</b>      | <b>70,519</b>      |
| <b>in profit or loss ( * )</b>                                | <b>64,690</b>      |
| <b>in other comprehensive income</b>                          | <b>5,829</b>       |

(\*) The Thiess shareholder agreement establishes a minimum distribution to each shareholder of AUD 180 million per year for the first six years, with Elliott receiving a preferential payment. In accordance with accounting standards, preferential payments must first be attributed to the full profit for the year. Therefore, Cimic's profit for the period is AUD 102.1 million. The reduction in Cimic's profit includes protected rights and is expected to be recovered in future years.

As a result of the acquisition of Thiess by Elliot in 2020, a Purchase Price Allocation (PPA) was carried out in 2021. This allocation was provisional for purpose of its inclusion in the financial information for the year ended 31 December 2020. In accordance with current regulations, there is a twelve-month period to make the final purchase allocation of the net assets and, therefore, in 2021 Thiess completed the allocation of the fair value of the assets acquired and liabilities assumed. Based on the final PPA, the adjustments to the initial values established were not significant. Since the agreement with Elliot for the joint venture was on 31 December 2020, there is no comparative income statement for 2020.

As in the previous year, investments in associates are not subject to any restrictions.



In addition, the table below details the associates and the joint arrangements that are not material:

|                                   | Thousands of Euros |                 |                             |                |
|-----------------------------------|--------------------|-----------------|-----------------------------|----------------|
|                                   | Associates         |                 | Jointly controlled entities |                |
|                                   | 2021               | 2020            | 2021                        | 2020           |
| <b>Carrying amount</b>            | <b>298,426</b>     | <b>164,978</b>  | <b>646,695</b>              | <b>734,047</b> |
|                                   |                    | (*)             |                             | (*)            |
| <b>Profit before taxes</b>        | <b>44,434</b>      | <b>(7,102)</b>  | <b>(3,940)</b>              | <b>158,623</b> |
| Income taxes                      | (12,501)           | (2,621)         | 16,951                      | (18,741)       |
| <b>Profit after taxes</b>         | <b>31,932</b>      | <b>(9,723)</b>  | <b>13,011</b>               | <b>139,882</b> |
| Other comprehensive income        | 13,638             | (13,795)        | 26,337                      | (54,906)       |
| <b>Total comprehensive income</b> | <b>45,571</b>      | <b>(23,518)</b> | <b>39,348</b>               | <b>84,976</b>  |

(\*) Restated.

## 10. Financial assets

The breakdown of the Group's financial assets at 31 December 2021 and 2020, by nature and category for valuation purposes, is as follows:

|  | Thousands of Euros |                   |                |                   |
|--|--------------------|-------------------|----------------|-------------------|
|  | 31/12/2021         |                   | 31/12/2020     |                   |
|  | Non-Current        | Current           | Non-Current    | Current           |
| Equity instruments                       | 87,878             | 178,026           | 79,870         | 127,912           |
| Loans to associates                      | 184,381            | 64,019            | 212,755        | 111,341           |
| Other loans                              | 263,431            | 178,440           | 56,883         | 53,083            |
| Debt securities                          | 24,208             | 483,898           | 19,020         | 729,220           |
| Other financial assets                   | 205,809            | 375,696           | 392,028        | 333,426           |
| Long-term cash collateral deposits       | 987                | —                 | 283            | —                 |
| <b>Subtotal</b>                          | <b>766,694</b>     | <b>1,280,079</b>  | <b>760,839</b> | <b>1,354,982</b>  |
| Trade receivables for sales and services | —                  | 6,686,487         | —              | 8,500,244         |
| Other receivables                        | —                  | 1,400,815         | —              | 1,762,431         |
| Cash and cash equivalents                | —                  | 11,253,419        | —              | 8,080,808         |
| <b>Total</b>                             | <b>766,694</b>     | <b>20,620,800</b> | <b>760,839</b> | <b>19,698,465</b> |

The derivative financial instruments are broken down in Note 22.

The classification of financial assets in accordance with IFRS 9 at 31 December 2021 and 2020 is as follows:

|  | Thousands of Euros  |   |   |                   |
|--|---------------------|---|---|-------------------|
|  | Value at 31/12/2021 | Fair value with changes in profit or loss | Fair value with changes in other comprehensive income | Amortized cost    |
| <b>Non-current financial assets</b>                                      | <b>771,011</b>      | <b>339,823</b>                            | <b>14</b>   | <b>431,174</b>    |
| Equity securities at long-term   | 87,878              | 87,864                                    | 14  | —                 |
| Loans to companies at long-term  | 184,381             | —   | —   | 184,381           |
| Loans to third parties   | 263,431             | 223,436                                   | —   | 39,995            |
| Debt securities at long-term   | 24,208              | 24,208                                    | —   | —                 |
| Long-term cash collateral deposits                                       | 987                 | 987                                       | —   | —                 |
| Other financial assets at long-term                                      | 7,849               | 3,328                                     | —   | 4,521             |
| Non-current financial assets in operating receivables                    | 197,960             | —   | —   | 197,960           |
| Concessional assets identified under the financial asset model (Note 06) | 4,317               | —   | —   | 4,317             |
| <b>Other current financial assets</b>                                    | <b>1,280,079</b>    | <b>196,742</b>                            | <b>542,763</b>  | <b>540,574</b>    |
| Equity securities at short-term  | 178,026             | 25,223                                    | 152,803   | —                 |
| Loans to group and associates to short-term                              | 64,019              | —   | —   | 64,019            |
| Loans to companies at short-term   | 178,440             | —   | —   | 178,440           |
| Debt securities at short-term  | 483,898             | 93,938                                    | 389,960   | —                 |
| Other financial assets at short-term                                     | 375,696             | 77,581                                    | —   | 298,115           |
| <b>Trade receivables for sales and services</b>                          | <b>6,686,487</b>    | <b>—</b>                                  | <b>—</b>  | <b>6,686,487</b>  |
| <b>Other receivable</b>  | <b>1,400,815</b>    | <b>—</b>                                  | <b>—</b>  | <b>1,400,815</b>  |
| <b>Cash and cash equivalents</b>   | <b>11,253,419</b>   | <b>—</b>                                  | <b>—</b>  | <b>11,253,419</b> |

|  | Thousands of Euros  |   |   |                  |
|--|---------------------|---|---|------------------|
|  | Value at 31/12/2020 | Fair value with changes in profit or loss | Fair value with changes in other comprehensive income | Amortized cost   |
| <b>Non-current financial assets</b>                            | <b>776,625</b>      | <b>123,787</b>                            | —   | <b>652,838</b>   |
| Equity securities at long-term                                 | 79,870              | 79,870                                    | —   | —                |
| Loans to companies at long-term                                | 212,755             | 2,387                                     | —   | 210,368          |
| Loans to third parties   | 56,883              | 7,592                                     | —   | 49,291           |
| Debt securities at long-term                                   | 19,020              | 19,020                                    | —   | —                |
| Long-term cash collateral deposits                             | 283                 | 283                                       | —   | —                |
| Other financial assets at long-term                            | 58,796              | 11,886                                    | —   | 46,910           |
| Non-current financial assets in operating receivables          | 333,232             | 2,749                                     | —   | 330,483          |
| Concessional assets identified under the financial asset model | 15,786              | —   | —   | 15,786           |
| <b>Other current financial assets</b>                          | <b>1,354,982</b>    | <b>232,058</b>                            | <b>454,826</b>  | <b>668,098</b>   |
| Equity securities at short-term                                | 127,912             | 13,820                                    | 114,092   | —                |
| Loans to group and associates to short-term                    | 111,341             | 14,278                                    | —   | 97,063           |
| Other financial assets group and associated to short-term      | 21                  | —   | —   | 21               |
| Loans to companies at short-term                               | 53,083              | 75  | —   | 53,008           |
| Debt securities at short-term                                  | 729,220             | 58,700                                    | 340,734   | 329,786          |
| Other financial assets at short-term                           | 333,405             | 145,185                                   | —   | 188,220          |
| <b>Trade receivables for sales and services</b>                | <b>8,500,244</b>    | —   | —   | <b>8,500,244</b> |
| <b>Other receivable</b>  | <b>1,762,431</b>    | —   | —   | <b>1,762,431</b> |
| <b>Cash and cash equivalents</b>                               | <b>8,080,808</b>    | —   | —   | <b>8,080,808</b> |

### 10.01. Equity instruments

The detail of the balance of this heading at 31 December 2021 and 2020 is as follows:

|                     | Thousands of Euros |                |               |                |
|---------------------|--------------------|----------------|---------------|----------------|
|                     | 31/12/2021         |                | 31/12/2020    |                |
|                     | Non-Current        | Current        | Non-Current   | Current        |
| Infrastructures     | 84,327             | 178,026        | 74,912        | 127,912        |
| Industrial Services | 14                 | —              | 1,376         | —              |
| Services            | 19                 | —              | 64            | —              |
| Corporate Unit      | 3,518              | —              | 3,518         | —              |
| <b>Total</b>        | <b>87,878</b>      | <b>178,026</b> | <b>79,870</b> | <b>127,912</b> |

Non-current and current equity instruments most notably include those from Hochtief amounting to EUR 62,431 and EUR 177,024 thousand, respectively (EUR 44,621 thousand and EUR 127,912 thousand, respectively, at 31 December 2020) and relate mainly to short-term investments in securities held in special and general investment funds.

### 10.02. Loans to associates

The detail of the balances of “Loans to associates” and of the scheduled maturities as at 31 December 2021 is as follows:

|                     | Thousands of Euros |             |      |      |                           |                   |
|---------------------|--------------------|-------------|------|------|---------------------------|-------------------|
|                     | Current            | Non-current |      |      |                           |                   |
|                     | 2022               | 2023        | 2024 | 2025 | 2026 and subsequent years | Total non-current |
| Loans to associates | 64,019             | 106,764     | —    | —    | 77,617                    | 184,381           |

The detail of the balances of “Loans to associates” and of the scheduled maturities as at 31 December 2020 was as follows:

|                     | Thousands of Euros |             |      |       |                           |                   |
|---------------------|--------------------|-------------|------|-------|---------------------------|-------------------|
|                     | Current            | Non-current |      |       |                           |                   |
|                     | 2021               | 2022        | 2023 | 2024  | 2025 and subsequent years | Total non-current |
| Loans to associates | 111,341            | 113,934     | —    | 6,802 | 92,019                    | 212,755           |

At 31 December 2021, this line item most notably included the loans granted by Hochtief to its associates in the amount of EUR 163,195 thousand. Furthermore, the loans granted by Iridium mature in the long term and include the subordinated loan granted to Road Management (A13) Plc. in the amount of EUR 46,477 thousand (EUR 40,409 thousand at 31 December 2020), the subordinated loan to Celtic Road Group (Portlaoise) in the amount of EUR 23,233 thousand (EUR 23,233 thousand at 31 December 2020) and the participating loan granted to Gorey to Enniscorthy M11 PPP Limited in the amount of EUR 13,251 thousand (EUR 13,278 thousand at 31 December 2020). In 2021, the changes in the loans were mainly due to the increase in the subordinated loan granted by Iridium Concesiones de Infraestructuras, S.A. to Iridium Hermes Road, S.L. in the amount of EUR 3,933 thousand, the purpose of which is to partially finance the investment in the additional works for Eix Diagonal. Furthermore, as explained in Note 02.02.f, as a result of the sale of 80% of Nuevo Hospital de Toledo, 80% of the participating loan has been derecognised since the conditions precedent to which the sale and purchase agreement was subject have been fulfilled, and the current balance of the loan at the new percentage of ownership (6.66%) is EUR 2,729 thousand (EUR 12,683 thousand at 31 December 2020).

The Group regularly assesses the recoverability of the loans to associates jointly with investments, making the necessary provisions when required. These loans bear interest at market rates.

### 10.03. Other loans

The detail of the balances of “Other loans” and of the scheduled maturities as at 31 December 2021 is as follows:

|             | Thousands of Euros |             |        |        |                           |                   |
|-------------|--------------------|-------------|--------|--------|---------------------------|-------------------|
|             | Current            | Non-current |        |        |                           |                   |
|             | 2022               | 2023        | 2024   | 2025   | 2026 and subsequent years | Total non-current |
| Other loans | 178,440            | 18,057      | 17,104 | 17,344 | 210,926                   | 263,431           |

The detail of the balances of “Other loans” and of the scheduled maturities as at 31 December 2020 was as follows:

|             | Thousands of Euros |             |       |      |                           |                   |
|-------------|--------------------|-------------|-------|------|---------------------------|-------------------|
|             | Current            | Non-current |       |      |                           |                   |
|             | 2021               | 2022        | 2023  | 2024 | 2025 and subsequent years | Total non-current |
| Other loans | 53,083             | 7,818       | 1,941 | 764  | 46,360                    | 56,883            |

At 31 December 2021, “Loans to third parties” under “Non-current financial assets” in the consolidated statement of financial position included the earn out corresponding to the sale of most of the Industrial Services Division, the fair value of which amounts to EUR 223,436 thousand, which have yet to be received as there is a maximum variable payment of EUR 600 million in cash at a rate of EUR 20 million for each half GW generated by the Industrial Services Division (up to “Ready to build” status) between 31 March 2021 and up to 7 years following the execution of the sale and purchase, which may be extended for an additional 18 months if the Industrial Services Division sold fails to generate 6 GW in the first 42 months (see Note 03.09.02).

These loans earn interest tied to Euribor plus a market spread.

#### 10.04. Debt securities

At 31 December 2021, this heading included the investments in securities maturing in the short term relating mainly to investments in securities, investment funds and fixed-interest securities maturing at more than three months, and that it does not intend to hold until maturity, from Hochtief for EUR 394,803 thousand (EUR 345,625 thousand at 31 December 2020). Other significant amounts include those held by the Dragados Group amounting to EUR 89,095 thousand (EUR 53,801 thousand at 31 December 2020). The reduction in the year is due to the transfer to non-current assets held for sale prior to the sale of most of the Industrial Services Division for EUR 329,785 thousand.

#### 10.05. Other financial assets and Non-current trade receivables

As at 31 December 2021, “Other financial assets” included short-term deposits amounting to EUR 270,386 thousand (EUR 271,375 thousand at 31 December 2020).

In addition, at 31 December 2021, the amount mentioned in the previous paragraph includes EUR 194,095 thousand (EUR 118,565 thousand at 31 December 2020) held as collateral to secure the derivatives arranged by the Group (see Note 11), recognised under “Other current financial assets” in the accompanying consolidated statement of financial position.

The reduction in this heading is due to the fact that at 31 December 2020 it mainly included as “Non-current trade receivables” amounts to be billed for work performed totalling EUR 128,876 thousand in relation to construction projects for investments in gas extraction contracts, which are expected to be received in the long term and that were derecognised as a result of the sale of most of the Industrial Services business.

#### Impairment losses

There were no significant impairment losses in 2021 or 2020. There were no significant reversals of impairment losses on financial assets in 2021 or 2020.

## 11. Inventories

The detail of “Inventories” at 31 December 2021 and 2020 is as follows:

|                                  | Thousands of Euros |                |
|----------------------------------|--------------------|----------------|
|                                  | 31/12/2021         | 31/12/2020     |
| Merchandise                      | 168,813            | 185,532        |
| Raw materials and other supplies | 294,354            | 242,287        |
| Work in progress                 | 218,396            | 179,544        |
| Finished goods                   | 16,742             | 17,218         |
| Others                           | 43,787             | 90,660         |
| <b>Total</b>                     | <b>742,092</b>     | <b>715,241</b> |

The balance of inventories at 31 December 2021 relates mainly to the EUR 345,215 thousand (EUR 284,094 thousand at 31 December 2020) contributed by the Hochtief Group, including projects in progress amounting to EUR 174,707 thousand (EUR 146,970 thousand at 31 December 2020), mainly real estate (land and buildings) owned by Hochtief and its Australian subsidiary Cimic, and that were not subject to restrictions at 31 December 2021 or 31 December 2020, and to real estate assets in the rest of the ACS Group amounting to EUR 217,408 thousand (EUR 222,662 thousand at 31 December 2020). In addition to the above restrictions, inventories have been not pledged and/or mortgaged as security for the repayment of debts either at 31 December 2021 or at 31 December 2020.

Impairment losses on inventories recognised and reversed in the consolidated income statement, relating to the various ACS Group companies, amounted to EUR 87 thousand and EUR 7,335 thousand, respectively in 2021 (EUR 416 thousand and EUR 1,711 thousand, respectively in 2020).

## 12. Trade and other receivables

The carrying amount of trade and other receivables is reflected in the following breakdown by divisions as at 31 December 2021 and 2020:

|  | Thousands of Euros |                     |                |                                |                       |
|--|--------------------|---------------------|----------------|--------------------------------|-----------------------|
|  | Infrastructures    | Industrial Services | Services       | Corporate unit and adjustments | Balance at 31/12/2021 |
| Trade receivables for sales and services       | 6,175,623          | 287,023             | 185,104        | 2,501                          | 6,650,251             |
| Receivable from group companies and associates | 36,237             | 3                   | (4)            | —                              | 36,236                |
| Other receivables                              | 1,103,804          | 236,855             | 13,370         | 46,786                         | 1,400,815             |
| Current tax assets                             | 137,076            | 4,113               | 102            | 151,763                        | 293,054               |
| <b>Total</b>                                   | <b>7,452,740</b>   | <b>527,994</b>      | <b>198,572</b> | <b>201,050</b>                 | <b>8,380,356</b>      |

|  | Thousands of Euros |                     |                |                                |                       |
|--|--------------------|---------------------|----------------|--------------------------------|-----------------------|
|  | Infrastructures    | Industrial Services | Services       | Corporate unit and adjustments | Balance at 31/12/2020 |
| Trade receivables for sales and services       | 5,746,081          | 2,400,275           | 195,850        | —                              | 8,342,206             |
| Receivable from group companies and associates | 49,533             | 108,493             | 12             | —                              | 158,038               |
| Other receivables                              | 1,038,759          | 708,336             | 14,382         | 954                            | 1,762,431             |
| Current tax assets                             | 40,566             | 41,704              | 80             | 153,264                        | 235,614               |
| <b>Total</b>                                   | <b>6,874,939</b>   | <b>3,258,808</b>    | <b>210,324</b> | <b>154,218</b>                 | <b>10,498,289</b>     |

### 12.01. Trade receivables for sales and services – Net trade receivables balance

The detail of “Trade receivables for sales and services” and net trade receivables balance, by line of business, at 31 December 2021 and 2020 is as follows:

|  | Thousands of Euros |                     |                |                                |                       |
|--|--------------------|---------------------|----------------|--------------------------------|-----------------------|
|  | Infrastructures    | Industrial Services | Services       | Corporate unit and adjustments | Balance at 31/12/2021 |
| Trade receivables and notes receivable           | 3,825,425          | 242,865             | 183,428        | 6,998                          | 4,258,716             |
| Completed work pending certification             | 2,530,281          | 47,834              | 6,244          | —                              | 2,584,359             |
| Allowances for doubtful debts                    | (180,083)          | (3,676)             | (4,568)        | (4,497)                        | (192,824)             |
| <b>Total receivables for sales and services</b>  | <b>6,175,623</b>   | <b>287,023</b>      | <b>185,104</b> | <b>2,501</b>                   | <b>6,650,251</b>      |
| Advances received on orders (Note 23)            | (2,816,430)        | (20,802)            | (1,346)        | (8,419)                        | (2,846,997)           |
| <b>Total liabilities from customer contracts</b> | <b>(2,816,430)</b> | <b>(20,802)</b>     | <b>(1,346)</b> | <b>(8,419)</b>                 | <b>(2,846,997)</b>    |
| <b>Total net trade receivables balance</b>       | <b>3,359,193</b>   | <b>266,221</b>      | <b>183,758</b> | <b>(5,918)</b>                 | <b>3,803,254</b>      |

|  | Thousands of Euros |                     |                |                                |                       |
|--|--------------------|---------------------|----------------|--------------------------------|-----------------------|
|  | Infrastructures    | Industrial Services | Services       | Corporate unit and adjustments | Balance at 31/12/2020 |
| Trade receivables and notes receivable           | 3,690,781          | 1,348,206           | 179,516        | 4,497                          | 5,223,000             |
| Completed work pending certification             | 2,257,914          | 1,172,337           | 20,131         | —                              | 3,450,382             |
| Allowances for doubtful debts                    | (202,614)          | (120,268)           | (3,797)        | (4,497)                        | (331,176)             |
| <b>Total receivables for sales and services</b>  | <b>5,746,081</b>   | <b>2,400,275</b>    | <b>195,850</b> | <b>—</b>                       | <b>8,342,206</b>      |
| Advances received on orders (Note 23)            | (2,659,082)        | (623,163)           | (1,110)        | —                              | (3,283,355)           |
| <b>Total liabilities from customer contracts</b> | <b>(2,659,082)</b> | <b>(623,163)</b>    | <b>(1,110)</b> | <b>—</b>                       | <b>(3,283,355)</b>    |
| <b>Total net trade receivables balance</b>       | <b>3,086,999</b>   | <b>1,777,112</b>    | <b>194,740</b> | <b>—</b>                       | <b>5,058,851</b>      |

The balances relating to contracts with customers are registered in accordance with the explanations in Note 03.16.

The breakdown of the amounts recognised for these entries in 2021 and 2020 is as follows:

|  | Thousands of Euros    |  |  |                      |                |                       |
|--|-----------------------|--|--|----------------------|----------------|-----------------------|
|  | Balance at 31/12/2020 | Changes in the consolidation perimeter | Transfers to assets held for sale and disposable groups of items | Exchange differences | Others         | Balance at 31/12/2021 |
| Trade receivables and notes receivable (net of provisions) | 4,891,824             | 174,584                                | (1,162,296)  | 18,294               | 143,486        | 4,065,892             |
| Completed work pending certification                       | 3,450,382             | 16,488                                 | (1,137,418)  | 44,999               | 209,908        | 2,584,359             |
| <b>Total Contract assets</b>                               | <b>8,342,206</b>      | <b>191,073</b>                         | <b>(2,299,715)</b>   | <b>63,293</b>        | <b>353,394</b> | <b>6,650,251</b>      |
| <b>Total Contract liabilities</b>                          | <b>3,283,355</b>      | <b>12,338</b>                          | <b>(612,388)</b>   | <b>44,101</b>        | <b>119,590</b> | <b>2,846,997</b>      |

|  | Thousands of Euros    |  |                      |                    |                       |
|--|-----------------------|--|----------------------|--------------------|-----------------------|
|  | Balance at 31/12/2019 | Changes in the consolidation perimeter | Exchange differences | Others             | Balance at 31/12/2020 |
| Trade receivables and notes receivable (net of provisions) | 6,085,545             | (249,493)                              | (62,016)             | (882,212)          | 4,891,824             |
| Completed work pending certification                       | 4,244,099             | (379,563)                              | (73,782)             | (340,372)          | 3,450,382             |
| <b>Total Contract assets</b>                               | <b>10,329,644</b>     | <b>(629,056)</b>                       | <b>(135,798)</b>     | <b>(1,222,584)</b> | <b>8,342,206</b>      |
| <b>Total Contract liabilities</b>                          | <b>3,416,279</b>      | <b>4,202</b>                           | <b>(57,399)</b>      | <b>(79,727)</b>    | <b>3,283,355</b>      |

“Others” basically includes changes related to production and/or invoicing to customers, and the amounts received from them. The revenue recognised in 2020 arising from performance obligations satisfied or partially satisfied in previous years amounted to a loss of EUR 869 million, mainly due to the Gorgon Jetty arbitration settlement (see Note 27.01) for EUR 694.4 million, which reduced the amount shown under “Others” as regards the changes in “Completed work pending certification”.

Should the amount of output from inception, measured at the amount to be billed, of each project be greater than the amount billed up to the date of the statement of financial position, the difference between the two amounts relates to contractual assets and is recognised under “Completed work pending certification” under “Trade and other receivables” on the asset side of the consolidated statement of financial position.

Should the amount of output from inception be lower than the amount of the progress billings, the difference relates to contractual liabilities and is recognised under “Customer advances” under “Trade and other payables” on the liability side of the consolidated statement of financial position. Therefore, the balances are presented on the basis of each project/work at both 31 December 2021 and 31 December 2020.

The main change in the year relates to the transfer of the Industrial Services Division to non-current assets held for sale since it was considered a discontinued operation in 2021 prior to its sale.

“Total contract liabilities” includes both “Customer advances” and “Pre-certified construction work customers”.

As a practical expedient, an entity does not need to adjust the promised amount of consideration for the effects of a significant financing component if the entity expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

Incremental costs are not significant in relation to the total contract assets with customers.

The revenue recognised in 2021 that was included in the balance of “Customer advances” (contract liabilities with customers) at the beginning of the year amounts to EUR 1,662 million (EUR 1,734 million in 2020), while the revenue recognised in 2021 resulting from performance obligations that were satisfied or partially satisfied in previous years amounts to a loss of EUR 35 million.

At 31 December 2021, retentions held by customers for contract work in progress amounted to EUR 1,215,207 thousand (EUR 1,157,650 thousand at 31 December 2020).

The Group companies assign trade receivables to financial institutions, without the possibility of recourse against them in the event of non-payment. The reduced balance of receivables amounted to EUR 1,012,001 thousand at 31 December 2021 (EUR 1,438,303 thousand at 31 December 2020).

Substantially all the risks and rewards associated with the receivables, and control over them, were transferred through the sale and assignment of the receivables, since there are no repurchase agreements between the Group companies and the banks that have acquired the assets, and the banks may freely dispose of the acquired assets without the Group companies being able to limit this right in any manner. Consequently, the balances receivable relating to the receivables assigned or sold under the above conditions were derecognised in the consolidated statement of financial position. The Group companies continued to manage collection during the year.

There was no customer as at 31 December 2021 and 2020, that represented more than 10% of total revenue.



## 12.02. Changes in the allowances for doubtful debts

The following is a breakdown, by line of business, of the changes in the allowances for doubtful debts in 2021 and 2020:

| Movement in the impairment provision | Thousands of Euros |                     |                |                                |                  |
|--------------------------------------|--------------------|---------------------|----------------|--------------------------------|------------------|
|                                      | Infrastructures    | Industrial Services | Services       | Corporate unit and adjustments | Total            |
| <b>Balance at 1 January of 2020</b>  | <b>(272,654)</b>   | <b>(106,675)</b>    | <b>(3,473)</b> | <b>(4,497)</b>                 | <b>(387,299)</b> |
| Charges for the year                 | (339)              | (46,605)            | (1,600)        | —                              | (48,544)         |
| Reversals / Excesses                 | 56,426             | 27,902              | 1,303          | —                              | 85,631           |
| Changes in scope and other           | 13,953             | 5,110               | (27)           | —                              | 19,036           |
| <b>Balance at 31 December 2020</b>   | <b>(202,614)</b>   | <b>(120,268)</b>    | <b>(3,797)</b> | <b>(4,497)</b>                 | <b>(331,176)</b> |
| Charges for the year                 | (32,537)           | (44,642)            | (3,172)        | —                              | (80,351)         |
| Reversals / Excesses                 | 58,572             | 43,108              | 2,644          | —                              | 104,324          |
| Changes in scope and other           | (3,504)            | 118,126             | (243)          | —                              | 114,379          |
| <b>Balance at 31 December 2021</b>   | <b>(180,083)</b>   | <b>(3,676)</b>      | <b>(4,568)</b> | <b>(4,497)</b>                 | <b>(192,824)</b> |

A concentration of credit risk is not considered to exist since the Group has a large number of customers engaging in various activities.

In addition, a provision of AUD 675 million (equivalent to EUR 432 million as at 31 December 2021) was recognised by Cimic and is presented net of progress billings as at 31 December 2021 and 2020 (see Note 36).

The net trade receivables balance at 31 December 2021 amounted to EUR 3,803,254 thousand (EUR 5,058,851 thousand at 31 December 2020), of which EUR 411,579 thousand (EUR 1,300,817 thousand at 31 December 2020) relate to domestic activity and EUR 3,391,675 thousand (EUR 3,758,034 thousand at 31 December 2020) to international activity.

As regards domestic activity, EUR 288,578 thousand (EUR 558,338 thousand at 31 December 2020), 70% of the balance (43% of the balance at 31 December 2020), relates to the net balance receivable from the Spanish public authorities, the remainder relating to the private sector, without large concentration of balances.

As regards foreign activities, the majority arises from the private sector amounting to EUR 2,811,794 thousand (EUR 3,111,384 thousand at 31 December 2020), the majority of which relate to the Hochtief Group. The status of customers that are past due but not impaired as at 31 December 2021 and 2020 is detailed under "Credit risk" in Note 21.

## 13. Other current assets

This heading in the statement of financial position includes mainly short-term accruals of prepaid expenses and interest.

## 14. Cash and cash equivalents

"Cash and cash equivalents" includes the Group's cash and short-term bank deposits with an original maturity of three months or less. At 31 December 2021, this heading mainly included EUR 4,902 million corresponding to the sale of most of the Industrial Services Division (see Note 03.09.02). The carrying

amount of these assets amounting to EUR 312,392 thousand at 31 December 2021 (EUR 315,331 thousand at 31 December 2020) reflects their fair value and there are no restrictions as to their use.

## 15. Equity

### 15.01. Share capital

As at 31 December 2021, the share capital of the Parent Company amounted to EUR 152,332 thousand and was represented by 304,664,594 fully subscribed and paid shares with a par value of EUR 0.5 each, all with the same voting and dividend rights. As at 31 December 2020, the share capital of the Parent Company amounted to EUR 155,332 thousand and was represented by 310,664,594 fully subscribed and paid shares with a par value of EUR 0.5 each, all with the same voting and dividend rights.

On 11 November 2021, the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A. agreed to reduce capital by EUR 3 million of the nominal value through the retirement of 6 million shares of the Company's treasury stock, subject to authorisation by the shareholders at the Annual General Meeting of 7 May 2021.

Subsequent to 2021 year-end, in accordance with the resolution passed at the Annual General Meeting held on 7 May 2021, the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A. agreed to reduce share capital, with a charge to profit or unrestricted reserves, through the retirement of the Company's treasury shares for a nominal amount of EUR 5 million through the retirement of 10 million ACS treasury shares, making the corresponding provision with a charge to reserves as indicated in section 335.e) Corporate Enterprises Act. Following this retirement of treasury shares, the share capital amounted to EUR 147,332 thousand and is represented by 294,664,594 fully subscribed and paid shares with a par value of EUR 0.5 each, all with the same voting and dividend rights (see Note 32).

Expenses directly attributable to the issue or acquisition of new shares are recognised in equity as a deduction from the amount of equity.

The Annual General Meeting held on 8 May 2020 agreed to delegate to the Board of Directors, in accordance with section 297.1(b) of the Consolidated Text Corporate Enterprises Act, the power to increase, on one or more occasions, the share capital of the Company up to a maximum of 50% of the share capital, as of the date of the Meeting, within a maximum period of five years from the date of the above General Meeting.

The share capital increase(s) may be carried out, with or without a share premium, either by increasing the par value of the existing shares with the requirements set forth in the law, or by issuing new shares, ordinary or preferential, with or without voting rights, or redeemable shares, or any other type of shares permitted by law or several types at the same time, consisting of a consideration for the new shares or an increase in the par value of the existing ones, in terms of monetary contributions.

It was also agreed to authorise the Board of Directors so that, in all matters not provided for, it can set the terms of the share capital increases and the characteristics of the shares, and freely offer the new unsubscribed shares within the term(s) for exercising the pre-emption right. The Board may also establish that, if the issue is undersubscribed, the share capital will only be increased by the amount of the shares subscribed, and revise the wording of the corresponding article of the Articles of Association regarding the share capital and number of shares.

The Board of Directors is expressly granted the power to exclude, in whole or in part, the pre-emption right up to a maximum nominal amount, collectively, equal to 20% of the share capital at the time of authorisation in relation to all or any of the issues agreed upon on the basis of this authorisation, in line with section 506 Corporate Enterprises Act, also including the exclusions of the pre-emption rights made in the framework of securities issues in accordance with the agreement approved at the Annual General Meeting of 10 May 2019.

At the Annual General Meeting of ACS, Actividades de Construcción y Servicios, S.A. held on 7 May 2021, the shareholders resolved, among other matters, to carry out a share capital increase and reduction. The Company resolved to increase share capital to a maximum of EUR 574 million with a charge to unrestricted reserves, whereby the first capital increase may not exceed EUR 426 million and the second increase may not exceed EUR 148 million, indistinctly granting the Executive Committee, the Chairman of the Board and the Director Secretary the power to execute the resolution. The capital increase is expected to take place, in the case of the first increase, within the three months following the date of the Annual General Meeting held in 2021 and, in the case of the second increase, within the first quarter of 2022, thereby coinciding with the dates on which the ACS Group has traditionally distributed the final dividend and the interim dividend. As regards the capital reduction, the resolution passed by the Board consists of reducing share capital through the retirement of the Company's treasury shares for a nominal amount equal to the nominal amount for which the above capital increase was effectively carried out. The Board is granted the power to execute these resolutions, on one or two occasions, simultaneously with each of the share capital increases (see Note 15.04).

On 9 June 2021, ACS, Actividades de Construcción y Servicios, S.A. resolved to carry out the first capital increase with a charge to reserves approved at the Annual General Meeting held on 7 May 2021, so that once the process was concluded in July 2021, the definitive number of ordinary shares, with a par value of EUR 0.5 each, to be issued was 8,329,558 shares, and the nominal amount of the related capital increase was EUR 4,164,779. On that same date, ACS, Actividades de Construcción y Servicios, S.A. reduced share capital by EUR 4,164,779 through the retirement of 8,329,558 treasury shares and allocated the same amount to reserves as the nominal value of the retired shares, i.e., EUR 4,164,779, as provided for in section 335.c) Corporate Enterprises Act.

On 3 January 2022, ACS, Actividades de Construcción y Servicios, S.A. decided to carry out the second capital increase with a charge to reserves approved by the shareholders at the Annual General Meeting held on 7 May 2021, and, on this same date, also resolved to carry out the second capital reduction of ACS, Actividades de Construcción y Servicios, S.A. for the same amount as the increase in share capital as a result of the second capital increase (see Notes 15.05 and 32).

At the Annual General Meeting of ACS, Actividades de Construcción y Servicios, S.A. held on 8 May 2020, the shareholders resolved, among other matters, to carry out a share capital increase and reduction. The Company resolved to increase share capital to a maximum of EUR 630 million with a charge to voluntary reserves, whereby the first capital increase may not exceed EUR 487 million and the second increase may not exceed EUR 143 million, indistinctly granting the Executive Committee, the Chairman of the Board and the Director Secretary the power to execute the resolution. The capital increase is expected to take place, in the case of the first increase, within the three months following the date of the Annual General Meeting held in 2020 and, in the case of the second increase, within the first quarter of 2021, thereby coinciding with the dates on which the ACS Group has traditionally distributed the final dividend and the interim dividend. As regards the capital reduction, the resolution passed by the Board consists of reducing share capital through the retirement of the Company's treasury shares for a nominal amount equal to the nominal amount for which the above capital increase was effectively carried out. The Board is granted the power to execute these resolutions, on one or two occasions, simultaneously with each of the share capital increases (see Note 15.04).

On 10 June 2020, ACS, Actividades de Construcción y Servicios, S.A. resolved to carry out the first capital increase with a charge to the share premium, approved at the Annual General Meeting held on 8 May 2020, so that once the process was concluded in July 2020, the definitive number of ordinary shares, with a par value of EUR 0.5 each, to be issued was 11,377,057 shares, and the nominal value of the related capital increase was EUR 5,688,528.50, with a simultaneous capital reduction of EUR 5,688,528.50 through the retirement of 11,377,057 treasury shares, and with an allocation to reserves for the same amount as the nominal value of the retired shares, i.e., EUR 5,688,528.50, as provided for section 335.c) Corporate Enterprises Act.

On 11 January 2021, ACS, Actividades de Construcción y Servicios, S.A. decided to carry out the second capital increase with a charge to the share premium approved by the shareholders at the Annual General Meeting held on 8 May 2020, and, on this same date, also resolved to carry out the second capital reduction of ACS, Actividades de Construcción y Servicios, S.A. for the same amount as the increase in share capital

as a result of the second capital increase (see Note 15.04). The definitive number of shares, subject to the capital increase, was 2,568,165 shares for a nominal amount of EUR 1,284,082.50, which were retired simultaneously for the same amount, and with an allocation to reserves for the same amount as the nominal value of the retired shares, i.e., EUR 1,284,082.50, as provided for in Article 335.c) of the Spanish Companies Act.

The shares representing the capital of ACS, Actividades de Construcción y Servicios, S.A. are admitted for trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and are listed on the continuous market.

In addition to the Parent Company, the companies included in the consolidation perimeter whose shares are listed on securities markets are Hochtief, A.G. on the Frankfurt Stock Exchange (Germany), and Cimic Group Limited on the Australia Stock Exchange.

At 31 December 2021, the shareholder with an ownership interest of over 10% in the Parent Company's share capital was Rosan Inversiones, S.L. with an interest of 12.93%.

### 15.02. Share premium

The share premium at 31 December 2021 and 2020 amounted to EUR 366,379 thousand and EUR 495,226 thousand, respectively. The reduction is due to the scrip dividend issued on 11 January 2021 (see Note 15.01).

The Consolidated Text Corporate Enterprises Act expressly permits the use of the share premium account balance to increase capital and does not establish any specific restrictions as to its use.

### 15.03. Reserves

The detail of this heading at 31 December 2021 and 2020 is as follows:

|  | Thousands of Euros    |                       |
|--|-----------------------|-----------------------|
|  | Balance at 31/12/2021 | Balance at 31/12/2020 |
| Legal reserve                          | 35,287                | 35,287                |
| Voluntary reserves                     | 3,602,560             | 3,251,185             |
| Capital redemption reserve fund        | 48,027                | 39,578                |
| Reserve for actuarial gains and losses | (875)                 | (14,702)              |
| Others reserves                        | 814,557               | 905,856               |
| Reserves at consolidated companies     | (866,542)             | (608,505)             |
| <b>Total</b>                           | <b>3,633,014</b>      | <b>3,608,699</b>      |

This heading includes the reserves set up by the Group's Parent Company, mainly in relation to retained earnings and, where applicable, in compliance with the various applicable legal provisions.

#### Legal reserve

Under the Consolidated Text Corporate Enterprises Act, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital.

The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

The legal reserve of the Group's Parent Company, which amounts to EUR 35,287 thousand, has reached the stipulated level at 31 December 2021 and 2020.

### Voluntary reserves

These are reserves, the use of which is not limited or restricted in any way, freely set up by means of the allocation of the Parent Company's profits, after the payment of dividends and the required appropriations to the legal or other restricted reserves in accordance with current legislation.

Pursuant to the Consolidated Text Corporate Enterprises Act, profit may not be distributed unless the amount of the unrestricted legal reserves is at least equal to the amount of research and development expenses included under assets in the statement of financial position. In this case, the reserves allocated to meet this requirement are considered to be restricted reserves.

Certain Group companies have clauses in their financing agreements (this is standard practice in project financing) that place restrictions on the distribution of dividends until certain ratios are met.

### Capital redemption reserve

As a result of the redemption of the Parent Company's shares carried out in 2021 and 2020, in accordance with section 335.c) of the Consolidated Text Corporate Enterprises Act, ACS, Actividades de Construcción y Servicios, S.A. established a restricted "Capital redemption reserve" of EUR 48,027 thousand (EUR 39,578 thousand at 31 December 2020), which is equivalent to the nominal value of the reduced share capital.

### Reserve for actuarial gains and losses

This item includes the effects on pension plans due to actuarial impacts such as changes in the technical interest rate, mortality tables, etc.

## 15.04. Treasury shares

The changes in "Treasury shares" in 2021 and 2020 were as follows:

|                                 | 2021              |                    | 2020              |                    |
|---------------------------------|-------------------|--------------------|-------------------|--------------------|
|                                 | Number of shares  | Thousands of Euros | Number of shares  | Thousands of Euros |
| <b>At beginning of the year</b> | <b>25,604,641</b> | <b>636,011</b>     | <b>11,386,246</b> | <b>402,542</b>     |
| Purchases                       | 20,169,758        | 472,252            | 32,494,620        | 738,218            |
| Depreciation and sales          | (16,897,723)      | (416,347)          | (18,276,225)      | (504,749)          |
| <b>At end of the year</b>       | <b>28,876,676</b> | <b>691,916</b>     | <b>25,604,641</b> | <b>636,011</b>     |

On 11 January 2021, ACS, Actividades de Construcción y Servicios, S.A. resolved to carry out the second capital increase with a charge to the share premium approved by the shareholders at the Annual General Meeting held on 8 May 2020, and also resolved to carry out the second capital reduction of ACS, Actividades de Construcción y Servicios, S.A. for the same amount as the increase in share capital as a result of the second capital increase through the retirement of the necessary treasury shares. The definitive number of shares, subject to the capital increase, was 2,568,165 shares for a nominal amount of EUR 1,284,082.50, which were retired simultaneously for the same amount, and with an allocation to reserves for the same amount as the nominal value of the retired shares, i.e., EUR 1,284,082.50, as provided for in section 335.c) Corporate Enterprises Act.

On 9 June 2021, ACS, Actividades de Construcción y Servicios, S.A. resolved to carry out the first capital increase with a charge to reserves approved at the Annual General Meeting held on 7 May 2021, so that once the process was concluded in July 2021, the definitive number of ordinary shares, with a par value of EUR 0.5 each, to be issued was 8,329,558 shares, and the nominal amount of the related capital increase was EUR 4,164,779. On that same date, ACS, Actividades de Construcción y Servicios, S.A. reduced share

capital by EUR 4,164,779 through the retirement of 8,329,558 treasury shares and allocated the same amount to reserves as the nominal value of the retired shares, i.e., EUR 4,164,779, as provided for in section 335.c) Corporate Enterprises Act (see Note 15.01).

On 11 November 2021, the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A. agreed to reduce capital by EUR 3 million of the nominal value through the retirement of 6 million shares of the Company's treasury stock, subject to authorisation by the shareholders at the Annual General Meeting of 7 May 2021 (see Note 15.01).

On 3 January 2022, ACS, Actividades de Construcción y Servicios, S.A. agreed to carry out the second capital increase with a charge to reserves approved by the shareholders at the Annual General Meeting held on 7 May 2021. The purpose of the capital increase is to implement a flexible formula for shareholder remuneration ("optional dividend"), so that shareholders may choose to continue to receive cash remuneration or to receive new shares in the Company.

Furthermore, the Company agreed to carry out the second capital reduction through the retirement of treasury shares, which was approved at the same General Meeting, for a maximum amount equal to the amount by which the share capital was actually increased as a result of the second capital increase referred to in the previous paragraph.

On 4 February 2020, ACS, Actividades de Construcción y Servicios, S.A. resolved to carry out the second capital increase with a charge to reserves, approved at the Annual General Meeting held on 10 May 2019, setting the definitive number of ordinary shares of EUR 0.5 par value each to be issued at 2,899,168 shares, with the nominal value of the related capital increase being EUR 1,449,584.00. On that same date, ACS, Actividades de Construcción y Servicios, S.A. reduced share capital by EUR 1,449,584.00 through the retirement of 2,899,168 treasury shares and allocated the same amount to reserves as the nominal value of the retired shares, i.e., EUR 1,449,584.00, as provided for in section 335.c) Corporate Enterprises Act.

On 10 June 2020, ACS, Actividades de Construcción y Servicios, S.A. resolved to carry out the first capital increase with a charge to the share premium approved at the Annual General Meeting held on 8 May 2020, so that once the process was concluded in July 2020, the definitive number of ordinary shares, with a par value of EUR 0.5 each, to be issued was 11,377,057 shares, and the nominal amount of the related capital increase was EUR 5,688,528.50. On that same date, ACS, Actividades de Construcción y Servicios, S.A. reduced share capital by EUR 5,688,528.50 through the retirement of 11,377,057 treasury shares and allocated the same amount to reserves as the nominal value of the retired shares, i.e., EUR 5,688,528.50, as provided for in section 335.c) Corporate Enterprises Act (see Note 15.01).

At 31 December 2021, the Group held 28,876,676 treasury shares of the Parent Company, with a par value of EUR 0.5 each, representing 9.5% of the share capital, with a consolidated net carrying amount of EUR 691,916 thousand which is recognised in equity under "Treasury shares" in the consolidated statement of financial position. At 31 December 2020, the Group held 25,604,641 treasury shares of the Parent Company, with a par value of EUR 0.5 each, representing 8.2% of the share capital, with a consolidated net carrying amount of EUR 636,011 thousand that was recognised in equity under "Treasury shares" in the consolidated statement of financial position.

In 2021, ACS notified the CNMV of the changes made to the treasury share buyback programme, which at year-end included a maximum of 21,100,000 shares to be acquired and a maximum investment of up to EUR 633 million, with a maximum term of up to 31 July 2022.

The average purchase price of ACS shares in 2021 was EUR 23.41 per share (EUR 22.72 per share in 2020).

#### **15.05. Interim dividend**

On 3 January 2022, ACS, Actividades de Construcción y Servicios, S.A. agreed to carry out the second capital increase with a charge to reserves approved by the shareholders at the Annual General Meeting held on 7 May 2021. The purpose of the capital increase is to implement a flexible formula for shareholder

remuneration (“optional dividend”), so that shareholders may choose to continue to receive cash remuneration or to receive new shares in the Company.

Furthermore, the Company agreed to carry out the second capital reduction through the retirement of treasury shares, which was approved at the same General Meeting, for a maximum amount equal to the amount by which the share capital was actually increased as a result of the second capital increase referred to in the previous paragraph.

ACS, Actividades de Construcción y Servicios, S.A. agreed to purchase from its shareholders the bonus issue rights corresponding to this second capital increase at a price that was set at a fixed gross amount of EUR 0.468 for each right.

After the negotiation period for the bonus issue rights corresponding to the second bonus issue, the irrevocable commitment to purchase rights assumed by ACS was accepted by the holders of 40.28% of the bonus issue rights. After the decision-making period granted to the shareholders had elapsed, in January 2022 the following events took place:

- The dividend was determined to be a total gross amount of EUR 57,425,748.12 (EUR 0.468 per share) and was paid on 1 February 2022.
- The number of final shares subject to the capital increase was 3,047,466 for a nominal amount of EUR 1,523,733.00, which were redeemed simultaneously for the same amount (see Note 32).

#### 15.06. Adjustments for changes in value

The net changes in the balance of this heading in 2021 and 2020 were as follows:

|                                     | Thousands of Euros |                  |
|-------------------------------------|--------------------|------------------|
|                                     | 2021               | 2020             |
| <b>Beginning balance</b>            | <b>(668,772)</b>   | <b>(356,377)</b> |
| Hedging Instruments                 | 86,233             | 7,449            |
| Available-for-sale financial assets | 20,700             | (6,758)          |
| Exchange differences                | 390,921            | (313,086)        |
| <b>Ending balance</b>               | <b>(170,918)</b>   | <b>(668,772)</b> |

The adjustments for hedging instruments relate to the reserve set up for the effective portion of changes in the fair value of the financial instruments designated and effective as cash flow hedges. They relate mainly to interest rate hedges and, to a lesser extent, foreign exchange rate hedges, tied to asset and liability items in the consolidated statement of financial position, and to future transaction commitments qualifying for hedge accounting.

The changes relating to financial assets through other comprehensive income include the unrealised gains or losses arising from changes in their fair value net of the related tax effect.

The translation differences at 1 January 2004 were recognised in the transition to IFRSs as opening reserves. Consequently, the amount presented in the Group’s consolidated statement of financial position at 31 December 2021 relates exclusively to the difference arising in the period from 2004 to 2021, net of the related tax effect, between the closing and opening exchange rates, on non-monetary items whose fair value is adjusted against equity and on the translation to euros of the balances in the functional currencies of fully and proportionally consolidated companies, and companies accounted for using the equity method, whose functional currency is not the euro.

The main translation differences, by currency, at 31 December 2021 and 2020 were as follows:

|                         | Thousands of Euros    |                       |
|-------------------------|-----------------------|-----------------------|
|                         | Balance at 31/12/2021 | Balance at 31/12/2020 |
| U.S. Dollar (USD)       | 21,433                | (73,826)              |
| Australian Dollar (AUD) | (10,063)              | (46,442)              |
| Canadian Dollar (CAD)   | 4,730                 | (9,607)               |
| Argentine Peso (ARS)    | (36,561)              | (55,813)              |
| Other currencies        | (70,460)              | (296,154)             |
| <b>Total</b>            | <b>(90,921)</b>       | <b>(481,842)</b>      |

At 31 December 2021, in addition to the balance of translation differences, the balance of “Adjustments for changes in value” includes a loss of EUR 73,150 thousand for hedging instruments (loss of EUR 159,383 thousand at 31 December 2020) and a loss of EUR 6,847 thousand for financial assets through other comprehensive income (loss of EUR 27,547 thousand at 31 December 2020).

### 15.07. Non-controlling interests

The detail, by line of business, of the balance of “Non-controlling interests” in the consolidated statement of financial position at 31 December 2021 and 2020 is as follows:

| Line of Business    | Thousands of Euros        |  |                                |                           |  |                                |
|---------------------|---------------------------|--|--------------------------------|---------------------------|--|--------------------------------|
|                     | Balance at 31/12/2021     |  |                                | Balance at 31/12/2020     |  |                                |
|                     | Non-controlling interests | Profit attributed to non-controlling interests | Result discontinued operations | Non-controlling interests | Profit attributed to non-controlling interests | Result discontinued operations |
| Construction        | 511,923                   | 154,637  | 11,340                         | 306,019                   | 320,500  | 32,440                         |
| Industrial Services | (2,471)                   | 14,223   | —                              | 81,995                    | 259  | 2,590                          |
| Services            | 3,626                     | 621  | —                              | 4,929                     | (1,304)  | —                              |
| <b>Total</b>        | <b>513,078</b>            | <b>169,481</b>                                 | <b>11,340</b>                  | <b>392,943</b>            | <b>319,455</b>                                 | <b>35,030</b>                  |

“Non-controlling interests” mainly relates to the full consolidation of Hochtief, which includes both the ownership interests of the non-controlling shareholders of Hochtief and the non-controlling interests included in the statement of financial position of the German company, amounting to EUR 284,764 thousand at 31 December 2021 (EUR 293,012 thousand at 31 December 2020), which mainly relate to the non-controlling shareholders of Cimic Group Limited.



Accordingly, the only significant non-controlling interest is from Hochtief, with the following information:

|  | Thousands of Euros |                  |
|--|--------------------|------------------|
|  | 31/12/2021         | 31/12/2020       |
| Non-current assets   | 5,295,254          | 5,263,746        |
| Current assets   | 10,939,811         | 11,717,809       |
| Non-current liabilities  | 5,378,445          | 5,190,506        |
| Current liabilities  | 9,770,859          | 10,828,429       |
| <b>Equity</b>  | <b>1,085,761</b>   | <b>962,620</b>   |
| Of which: Non-controlling interests Hochtief                                     | 284,764            | 293,012          |
| <b>Non-controlling interests of Hochtief included in equity of the ACS Group</b> | <b>667,429</b>     | <b>612,908</b>   |
| Turnover   | 21,377,874         | 22,953,752       |
| <b>Profit before tax</b>   | <b>434,982</b>     | <b>881,946</b>   |
| Income tax   | (141,585)          | (332,305)        |
| <b>Profit for the period from continuing operations</b>                          | <b>293,397</b>     | <b>549,641</b>   |
| Profit after tax from discontinued operations                                    | (4,479)            | 32,439           |
| <b>Profit for the period</b>   | <b>288,918</b>     | <b>582,080</b>   |
| Of which: Non-controlling interests Hochtief                                     | (80,997)           | (154,839)        |
| <b>Profit attributable to the parent</b>   | <b>207,921</b>     | <b>427,241</b>   |
| <b>Non-controlling interests included in profit or loss for the year</b>         | <b>(180,329)</b>   | <b>(358,948)</b> |
| Cash flows from operating activities   | 387,196            | 707,328          |
| Cash flows from investing activities   | (219,999)          | 647,746          |
| Cash flows from financing activities   | (1,075,125)        | (632,142)        |

“Non-controlling interests” in the accompanying consolidated statement of financial position reflects the proportionate share of the equity of Group companies in which there are non-controlling shareholders. The changes in 2021, by item, were as follows:

|   | Thousands of Euros |
|---|--------------------|
| <b>Balance at 31 December 2020</b>                          | <b>747,428</b>     |
| Profit for the year from continuing operations              | 180,821            |
| Dividends received  | (341,716)          |
| Changes in shareholdings in controlled companies and others | (105,639)          |
| Adjustments for changes in value                            | 213,005            |
| <b>Balance at 31 December 2021</b>                          | <b>693,899</b>     |

The changes in holdings in the companies controlled are mainly due to Cimic’s takeover bid for Devine (see Note 02.02 f).

The changes in 2020, by item, were as follows:

|   | Thousands of Euros |
|---|--------------------|
| <b>Balance at 31 December 2019</b>                          | <b>1,084,882</b>   |
| Profit for the year from continuing operations              | 354,485            |
| Dividends received  | (248,819)          |
| Changes in shareholdings in controlled companies and others | (234,268)          |
| Adjustments for changes in value                            | (208,852)          |
| <b>Balance at 31 December 2020</b>                          | <b>747,428</b>     |

The decrease in non-controlling interests of EUR 234,268 thousand in 2020 is due mainly to the increase in the shareholding in Hochtief from 50.4% to 52.2% and in Cimic from 72.8% to 78.6% (see Note 02.02.f).

At 31 December 2021, the shareholders with an ownership interest equal to or exceeding 10% of the subscribed capital of the Group's main subsidiaries were as follows:

| Group   | Percentage of ownership | Shareholder                |
|---|-------------------------|----------------------------|
| <b>Construction</b>                             |                         |                            |
| Hochtief, A.G.                                  | 15.90%                  | Atlantia S. p. A.          |
| Gasoductos y Redes Gisca, S.A.                  | 47.50%                  | Spie Capag, S.A.           |
| BICC Contracting LLC                            | 55.00%                  | Riad Al Sadik              |
| <b>Industrial Services</b>                      |                         |                            |
| Energía Renovable de la Península, SAPI de C.V. | 30.00%                  | Envisión Energy B.V. (24%) |
| <b>Services</b>                                 |                         |                            |
| Multiservicios Aeroportuarios, S.A.             | 49.00%                  | Iberia, S.A.               |

## 16. Grants

The changes in the balance of this heading in 2021 and 2020 were as follows:

|  | Thousands of Euros |              |
|--|--------------------|--------------|
|  | 2021               | 2020 ( * )   |
| <b>Beginning balance</b>   | <b>3,485</b>       | <b>2,697</b> |
| Changes in the consolidation perimeter                           | (513)              | —            |
| Exchange differences   | 12                 | (1)          |
| Additions  | 955                | 1,431        |
| Transfers  | 4                  | (97)         |
| Transfers to assets held for sale and disposable groups of items | (1,545)            | (239)        |
| Recognition in income statement                                  | (299)              | (306)        |
| <b>Ending balance</b>  | <b>2,099</b>       | <b>3,485</b> |

( \* ) Restated.

The grants related to assets recognised in the consolidated income statement (recognised under "Allocation of grants relating to non-financial non-current assets and others" in the consolidated income statement) amounted to EUR 299 thousand before tax in 2021 (EUR 306 thousand in 2020). The timing of recognition in profit or loss, by year, is detailed as follows:

|                          | Thousands of Euros |     |       |            |       |       |
|--------------------------|--------------------|-----|-------|------------|-------|-------|
|                          | 31/12/2021         |     |       | 31/12/2020 |       |       |
|                          | <1                 | 2-5 | >5    | <1         | 2-5   | >5    |
| Grants related to assets | 182                | 605 | 1,312 | 1,111      | 1,307 | 1,067 |

The grants for COVID-19 were not significant in 2021 or 2020.

## 17. Bank borrowings, debentures and other marketable securities

The breakdown of the ACS Group's financial liabilities at 31 December 2021 and 2020, by nature and category for valuation purposes, is as follows:

|  | Thousands of Euros |                  |                  |                  |
|--|--------------------|------------------|------------------|------------------|
|  | 31/12/2021         |                  | 31/12/2020       |                  |
|  | Non-Current        | Current          | Non-Current      | Current          |
| Debt instruments and other marketable securities | 4,096,426          | 640,907          | 3,137,017        | 943,609          |
| Bank borrowings                                  | 4,524,806          | 1,128,861        | 5,116,027        | 1,853,689        |
| - with limited recourse                          | 51,069             | 18,472           | 73,318           | 16,123           |
| - other  | 4,473,737          | 1,110,389        | 5,042,709        | 1,837,566        |
| Other financial liabilities                      | 96,122             | 38,723           | 116,992          | 88,510           |
| <b>Total</b>                                     | <b>8,717,354</b>   | <b>1,808,491</b> | <b>8,370,036</b> | <b>2,885,808</b> |

### 17.01. Debentures and other marketable securities

At 31 December 2021, the ACS Group had debentures and bonds issued amounting to EUR 4,096,426 thousand in non-current issues and EUR 640,907 thousand in current issues (EUR 3,137,017 thousand in non-current issues and EUR 943,609 thousand in current issues, respectively, at 31 December 2020) from Cimic, Hochtief, ACS, Actividades de Construcción y Servicios, S.A. and ACS Servicios Comunicaciones y Energía, S.A.

The most significant variations as at 31 December 2021 are as follows:

- In 2021, ACS, Actividades de Construcción y Servicios, S.A. renewed the Euro Commercial Paper (ECP) programme for a maximum amount of EUR 750 million, which was registered in the Irish Stock Exchange. Through this programme, ACS may issue notes maturing between 1 and 364 days, thus enabling the diversification of financing channels in the capital market. As at 31 December 2021, the issues outstanding under the above programmes amounted to EUR 182,850 thousand (EUR 247,041 thousand at 31 December 2020).
- It also renewed its debt issue programme, called the Euro Medium-Term Note Programme (EMTN Programme), for a maximum amount of EUR 1,500 million, which was approved by the Central Bank of Ireland.
- Furthermore, ACS, Actividades de Construcción y Servicios, S.A. renewed the Negotiable European Commercial Paper (NEU CP) programme in 2021 for EUR 500 million, with a maximum issue term of 365 days, under the regulation of the Bank of France (pursuant to section D.213-2 of the French Monetary and Financial Code) listed on the Luxembourg Stock Exchange. As at 31 December 2021,

the issues outstanding under the above programmes amounted to EUR 254,000 thousand (EUR 238,000 thousand at 31 December 2020).

- On 26 April 2021, Hochtief issued a bond of EUR 500 million, with a term of 8 years and an annual coupon of 0.625% on the international capital market. The credit rating agency S&P gave the bond an investment grade rating of BBB-. The issue has allowed Hochtief to diversify and extend the maturity profile of its long-term loans.
- On 21 May 2021 and 2 June 2021, Cimic Finance Pty Limited issued a total of EUR 625 million in eight-year corporate bonds under the Euro Medium-Term Note Programme. The bonds accrue interest at an annual fixed rate of 1.5%, payable annually as of 28 May 2021, and mature on 28 May 2029. Moody's and Standard & Poor's gave the bond an investment grade rating of Baa2 and BBB-, respectively. In relation to this bond issue, Cimic entered into a cross-currency interest rate swap to hedge exposure to exchange rate fluctuations between the Australian dollar and the euro with an interest rate of 3.5% (see Note 22).

The detail, by maturity, of these debentures and bonds at 31 December 2021 is as follows:

|                             | Thousands of Euros |             |      |           |                           |                   |
|-----------------------------|--------------------|-------------|------|-----------|---------------------------|-------------------|
|                             | Current            | Non-current |      |           |                           |                   |
|                             | 2022               | 2023        | 2024 | 2025      | 2026 and subsequent years | Total non-current |
| <b>Debentures and bonds</b> | <b>640,907</b>     | 50,000      | —    | 1,292,476 | 2,753,950                 | <b>4,096,426</b>  |

The detail, by maturity, of these debentures and bonds at 31 December 2020 was as follows:

|                             | Thousands of Euros |             |        |      |                           |                   |
|-----------------------------|--------------------|-------------|--------|------|---------------------------|-------------------|
|                             | Current            | Non-current |        |      |                           |                   |
|                             | 2021               | 2022        | 2023   | 2024 | 2025 and subsequent years | Total non-current |
| <b>Debentures and bonds</b> | <b>943,609</b>     | 164,458     | 50,000 | —    | 2,922,559                 | <b>3,137,017</b>  |

The detail of the ACS Group's main bonds at 31 December 2021 and 2020 is as follows:

| Bonds                 | Carrying amount 31/12/2021 | Carrying amount 31/12/2020 | Price 31/12/2021 | Price 31/12/2020 | Principal (Millions of Euros) | Coupon (%) | Initial term (in years) | Maturity       |
|-----------------------|----------------------------|----------------------------|------------------|------------------|-------------------------------|------------|-------------------------|----------------|
| ACS 750               | 751,619                    | 750,455                    | 101.24%          | 102.67%          | 750                           | 1.375%     | 5                       | April 2025     |
| ACS 120               | —                          | 120,351                    | Expired          | n.a.             | 120                           | 0.375%     | 2                       | February 2021  |
| ACS 50                | 50,002                     | 50,001                     | n.a.             | n.a.             | 50                            | 0.785%     | 4.11                    | June 2023      |
| ACS SC&E              | 757,598                    | 755,551                    | 105.15%          | 107.76%          | 750                           | 1.875%     | 8                       | April 2026     |
| HOCHTIEF 500          | 502,485                    | 501,949                    | 104.92%          | 107.06%          | 500                           | 1.750%     | 7                       | July 2025      |
| HOCHTIEF 50 CHF       | 48,524                     | 46,389                     | n.a.             | n.a.             | 49                            | 0.769%     | 6                       | June 2025      |
| HOCHTIEF 50           | 50,635                     | 50,622                     | n.a.             | n.a.             | 50                            | 2.300%     | 15                      | April 2034     |
| HOCHTIEF 500          | 496,960                    | 496,278                    | 100.51%          | 101.42%          | 500                           | 0.500%     | 8                       | September 2027 |
| HOCHTIEF 1000 NOK     | 100,745                    | 96,083                     | n.a.             | n.a.             | 101                           | 1.700%     | 10                      | July 2029      |
| HOCHTIEF 250          | 249,414                    | 249,246                    | 100.73%          | 102.38%          | 250                           | 1.250%     | 12                      | September 2031 |
| HOCHTIEF 500          | 495,499                    | —                          | 97.21%           | n.a.             | 500                           | 0.625%     | 8                       | April 2029     |
| CIMIC FINANCE 500 USD | 176,591                    | 164,458                    | 102.13%          | 103.75%          | 177                           | 5.950%     | 10                      | November 2022  |
| CIMIC 625             | 620,271                    | —                          | 100.06%          | n.a.             | 625                           | 1.500%     | 8                       | May 2029       |

## 17.02. Loans and credit facilities

### 17.02.01. Loans and credit facilities

The detail of the bank borrowings at 31 December 2021 and the repayment schedules are as follows:

|                        | Thousands of Euros |                  |                |               |                           |                   |
|------------------------|--------------------|------------------|----------------|---------------|---------------------------|-------------------|
|                        | Current            | Non-current      |                |               |                           |                   |
|                        | 2022               | 2023             | 2024           | 2025          | 2026 and subsequent years | Total non-current |
| Bank loans in euros    | 508,062            | 1,747,892        | 502,281        | 83,491        | 1,056,896                 | 3,390,560         |
| Foreign currency loans | 596,766            | 671,726          | 131,445        | 6,289         | 263,703                   | 1,073,163         |
| Other financial debts  | 5,561              | 5,068            | 3,328          | 1,235         | 383                       | 10,014            |
| <b>Total</b>           | <b>1,110,389</b>   | <b>2,424,686</b> | <b>637,054</b> | <b>91,015</b> | <b>1,320,982</b>          | <b>4,473,737</b>  |

The detail of the bank borrowings at 31 December 2020 and the repayment schedules were as follows:

|                        | Thousands of Euros |                  |                  |                |                           |                   |
|------------------------|--------------------|------------------|------------------|----------------|---------------------------|-------------------|
|                        | Current            | Non-current      |                  |                |                           |                   |
|                        | 2021               | 2022             | 2023             | 2024           | 2025 and subsequent years | Total non-current |
| Bank loans in euros    | 1,163,256          | 475,417          | 1,314,440        | 294,648        | 1,096,851                 | 3,181,356         |
| Foreign currency loans | 669,155            | 620,719          | 600,786          | 615,555        | 6,370                     | 1,843,430         |
| Other financial debts  | 5,155              | 6,914            | 5,711            | 3,191          | 2,107                     | 17,923            |
| <b>Total</b>           | <b>1,837,566</b>   | <b>1,103,050</b> | <b>1,920,937</b> | <b>913,394</b> | <b>1,105,328</b>          | <b>5,042,709</b>  |

The ACS Group's most significant bank loans are as follows:

- ACS, Actividades de Construcción y Servicios, S.A. has a syndicated loan in the amount of EUR 2,100,000 thousand divided into two tranches (tranche A of the loan, drawn down in full, in the amount of EUR 950,000 thousand, and tranche B, a liquidity facility, in the amount of EUR 1,150,000 thousand), which matures on 13 October 2025 and was extended at the end of July 2021 for an additional year until 13 October 2026. No amount has been drawn down on the liquidity facility of tranche B as at 31 December 2021 and 2020. There have been no changes as regards the other terms.
- As part of the acquisition of Abertis, ACS, Actividades de Construcción y Servicios, S.A. entered into loan agreements with various entities in the amount of EUR 700 million with differing maturities in 2023 (between 28 June and 12 December 2023), at market interest rates tied to the Euribor at 31 December 2021 and 2020.
- Hochtief's syndicated loan signed in May 2020 and that was fully drawn down in the amount of EUR 400 million had been fully repaid as of 31 December 2021.
- Cimic also had syndicated financing at 31 December 2021, with the following maturity dates:
  - AUD 1,300 million maturing on 18 September 2022.
  - AUD 950 million maturing on 25 September 2023.
  - AUD 950 million maturing on 25 September 2024.

The amount drawn down at 31 December 2021 was AUD 1,130 million (AUD 2,400 million at 31 December 2020).

- In the first quarter of 2021, Cimic signed a three-year syndicated guarantee facility for AUD 1,400 million.
- On 29 June 2017, the Company (Dragados, S.A.) and its investee (Dragados Construction USA, Inc.), as “Borrowers”, signed a syndicated loan agreement with a group of international financial institutions, amounting to USD 270,000 thousand (EUR 238,387 thousand), which was drawn down in full by Dragados Construction USA, Inc. The principal of this loan accrues interest at a rate tied to the Libor. On 22 June 2021, an agreement was reached to roll over the above loan agreement, whereby the amount of the loan was simultaneously repaid in part and increased, resulting in a tranche A of USD 232,750 thousand (EUR 205,499 thousand) and a tranche B of USD 62,250 thousand (EUR 54,962 thousand). Dragados Construction USA, Inc. used USD 37,250 thousand (EUR 32,897 thousand) of tranche B to partially repay the initial amount, whereby both tranches were drawn down in full at 2021 year-end. The total amount of the loan was EUR 295,000 thousand (EUR 260,460 thousand). In addition, the maturity date was extended to 28 June 2026, the date on which it will be fully repaid, with the rest of the terms unchanged.
- On 20 December 2018, Dragados, S.A. entered into a syndicated transaction amounting to a total of EUR 323,800 thousand, which was divided into tranche A as a loan amounting to EUR 161,900 thousand and tranche B as a credit facility for the same amount as tranche A. Subsequently, on 19 December 2019, this agreement was renewed, and tranches A and B were increased by EUR 70,000 thousand each, for a total of EUR 463,800 thousand. As at 31 December 2021, only EUR 231,900 thousand of tranche A had been drawn down. Tranche B has not been drawn down. The principal of the loan and the credit facility will accrue interest tied to the Euribor, maturing on 20 December 2023.
- The ACS Group held mortgage loans amounting to EUR 31,290 thousand at 31 December 2021 (EUR 28,329 thousand at 31 December 2020).
- At 31 December 2021, the Group companies had credit facilities with limits of EUR 7,211,379 thousand (EUR 7,975,802 thousand at 31 December 2020), of which EUR 5,590,790 thousand (EUR 5,492,655 thousand at 31 December 2020) was undrawn, which sufficiently covers the Group’s needs as regards its short-term obligations.

The undrawn balances of the credit facilities granted to Group companies at 31 December 2021, by maturity, are as follows:

|                                  | Thousands of Euros |                  |                |          |                           |                   |
|----------------------------------|--------------------|------------------|----------------|----------|---------------------------|-------------------|
|                                  | Current            | No corriente     |                |          |                           |                   |
|                                  | 2022               | 2023             | 2024           | 2025     | 2026 and subsequent years | Total non-current |
| Credit lines in euros            | 1,025,081          | 1,311,582        | 46,077         | —        | 1,150,000                 | 2,507,659         |
| Credit lines in foreign currency | 1,431,864          | 132,641          | 493,545        | —        | —                         | 626,186           |
| <b>Total</b>                     | <b>2,456,945</b>   | <b>1,444,223</b> | <b>539,622</b> | <b>—</b> | <b>1,150,000</b>          | <b>3,133,845</b>  |

The undrawn balances of the credit facilities granted to Group companies at 31 December 2020, by maturity, were as follows:

|                                  | Thousands of Euros |                  |                |          |                           |                   |
|----------------------------------|--------------------|------------------|----------------|----------|---------------------------|-------------------|
|                                  | Current            | No corriente     |                |          |                           |                   |
|                                  | 2021               | 2022             | 2023           | 2024     | 2025 and subsequent years | Total non-current |
| Credit lines in euros            | 1,772,279          | 804,719          | 517,721        | —        | 1,150,000                 | 2,472,440         |
| Credit lines in foreign currency | 736,870            | 511,066          | —              | —        | —                         | 511,066           |
| <b>Total</b>                     | <b>2,509,149</b>   | <b>1,315,785</b> | <b>517,721</b> | <b>—</b> | <b>1,150,000</b>          | <b>2,983,506</b>  |

At 31 December 2021, current and non-current bank borrowings in foreign currencies amounted to EUR 1,669,929 thousand (EUR 2,512,585 thousand at 31 December 2020), of which mainly EUR 767,133 thousand are in Australian dollars (EUR 1,657,766 thousand at 31 December 2020), EUR 797,320 thousand are in US dollars (EUR 643,728 thousand at 31 December 2020) and EUR 47,521 thousand are in Canadian dollars (EUR 77,426 thousand at 31 December 2020).

Foreign currency loans and credits are recognised at their equivalent euro value at each year-end, calculated at the exchange rates prevailing at 31 December (see Note 03.21).

In 2021 the Group's euro loans and credits bore average annual interest of 1.12% (0.93% in 2020). Foreign currency loans and credits bore average annual interest of 1.30% (1.38% in 2020).

In accordance with its risk management policy and in order to reduce liquidity risk, the ACS Group attempts to achieve a reasonable balance between non-current financing for the Group's strategic investments (above all, limited recourse financing as described in Note 18) and current financing for the management of working capital. The effect of the changes in interest rates on finance costs are indicated in Note 21.

In 2021 and 2020, the ACS Group satisfactorily met its bank borrowing payment obligations on maturity. Additionally, up to the date of the preparation of the Consolidated Annual Accounts, the Group had not failed to meet any of its financial obligations. Accordingly, at 31 December 2021, the ACS Group met all ratios required by its financing arrangement.

## 17.02.02. Financial liabilities classification

The classification of financial liabilities in accordance with IFRS 9 at 31 December 2021 and 2020 is as follows:

|   | Thousands of Euros  |                                   |  |                  |
|---|---------------------|-----------------------------------|--|------------------|
|   | Value at 31/12/2021 | Fair value through profit or loss | Fair value through other comprehensive income (equity) | Amortized cost   |
| <b>Long Term Financial Liabilities</b>                | <b>8,717,354</b>    | —                                 | —  | <b>8,717,354</b> |
| Debentures and other negotiable securities            | 4,096,426           | —                                 | —  | 4,096,426        |
| Payables to credit institutions                       | 4,463,725           | —                                 | —  | 4,463,725        |
| Payables on lease of goods                            | 10,012              | —                                 | —  | 10,012           |
| Project financing and debt with limited resources     | 51,069              | —                                 | —  | 51,069           |
| Other long-term financial payables not in banks       | 80,404              | —                                 | —  | 80,404           |
| Long-term payables to group and associated companies  | 15,718              | —                                 | —  | 15,718           |
| <b>Short Term Financial Liabilities</b>               | <b>1,808,491</b>    | —                                 | —  | <b>1,808,491</b> |
| Debentures and other negotiable securities            | 640,907             | —                                 | —  | 640,907          |
| Payables to credit institutions                       | 1,104,831           | —                                 | —  | 1,104,831        |
| Payables on lease of goods                            | 5,558               | —                                 | —  | 5,558            |
| Project financing and debt with limited resources     | 18,472              | —                                 | —  | 18,472           |
| Other short-term financial payables not in banks      | 35,287              | —                                 | —  | 35,287           |
| Short-term payables to group and associated companies | 3,436               | —                                 | —  | 3,436            |

|   | Thousands of Euros  |                                   |  |                  |
|---|---------------------|-----------------------------------|--|------------------|
|   | Value at 31/12/2020 | Fair value through profit or loss | Fair value through other comprehensive income (equity) | Amortized cost   |
| <b>Long Term Financial Liabilities</b>                | <b>8,370,036</b>    | —                                 | —  | <b>8,370,036</b> |
| Debentures and other negotiable securities            | 3,137,017           | —                                 | —  | 3,137,017        |
| Payables to credit institutions                       | 5,024,786           | —                                 | —  | 5,024,786        |
| Payables on lease of goods                            | 17,923              | —                                 | —  | 17,923           |
| Project financing and debt with limited resources     | 73,318              | —                                 | —  | 73,318           |
| Other long-term financial payables not in banks       | 97,883              | —                                 | —  | 97,883           |
| Long-term payables to group and associated companies  | 19,109              | —                                 | —  | 19,109           |
| <b>Short Term Financial Liabilities</b>               | <b>2,885,808</b>    | —                                 | —  | <b>2,885,808</b> |
| Debentures and other negotiable securities            | 943,609             | —                                 | —  | 943,609          |
| Payables to credit institutions                       | 1,832,412           | —                                 | —  | 1,832,412        |
| Payables on lease of goods                            | 5,154               | —                                 | —  | 5,154            |
| Project financing and debt with limited resources     | 16,123              | —                                 | —  | 16,123           |
| Other short-term financial payables not in banks      | 75,278              | —                                 | —  | 75,278           |
| Short-term payables to group and associated companies | 13,232              | —                                 | —  | 13,232           |

The derivative financial instruments are broken down in Note 22.



## 18. Project finance with limited recourse

“Project finance with limited recourse” on the liability side of the consolidated statement of financial position mainly includes the amount of the financing related to infrastructure projects.

The detail of this heading, by type of financed asset, at 31 December 2021 is as follows:

|                       | Thousands of Euros |               |               |
|-----------------------|--------------------|---------------|---------------|
|                       | Current            | Non-current   | Total         |
| Highways              | 10,583             | 39,803        | 50,386        |
| Other infrastructures | 7,889              | 11,266        | 19,155        |
| <b>Total</b>          | <b>18,472</b>      | <b>51,069</b> | <b>69,541</b> |

The detail of this heading, by type of financial asset, at 31 December 2020 was as follows:

|                       | Thousands of Euros |               |               |
|-----------------------|--------------------|---------------|---------------|
|                       | Current            | Non-current   | Total         |
| Highways              | 7,593              | 53,594        | 61,187        |
| Other infrastructures | 8,530              | 19,724        | 28,254        |
| <b>Total</b>          | <b>16,123</b>      | <b>73,318</b> | <b>89,441</b> |

The detail, by maturity, of non-current financing at 31 December 2021 and 2020 is as follows:

|                                    | Thousands of Euros |        |        |                           |               |
|------------------------------------|--------------------|--------|--------|---------------------------|---------------|
|                                    | Maturity in        |        |        |                           |               |
|                                    | 2023               | 2024   | 2025   | 2025 and subsequent years | Total         |
| <b>Balance at 31 December 2021</b> | 19,637             | 16,613 | 14,819 | —                         | <b>51,069</b> |

|                                    | Thousands of Euros |        |        |                           |               |
|------------------------------------|--------------------|--------|--------|---------------------------|---------------|
|                                    | Maturity in        |        |        |                           |               |
|                                    | 2022               | 2023   | 2024   | 2025 and subsequent years | Total         |
| <b>Balance at 31 December 2020</b> | 18,903             | 20,082 | 16,613 | 17,720                    | <b>73,318</b> |

The Group has arranged various interest rate hedges in connection with the above financing (see Note 22).

The average interest rate for this type of project financing amounted to an annual 4.63% in 2021 and 4.31% in 2020.

The debts relating to limited recourse financing are secured by non-current assets in projects and include clauses requiring that certain ratios be complied with by the project and that were being met in all cases at 31 December 2021. Except as specifically mentioned in the previous paragraphs in relation to each of the most relevant financing, there were no guarantees in the form of collateral at 31 December 2021 and 2020.

In 2021 and 2020 the ACS Group satisfactorily settled all its project financing debts with limited recourse on maturity. Additionally, up to the date of the preparation of the Consolidated Annual Accounts, the Group had complied with all its financial obligations.

## 19. Other financial liabilities

The breakdown of the balances of this heading in the consolidated statements of financial position at 31 December 2021 and 2020 is as follows:

|  | Thousands of Euros    |               |                       |               |
|--|-----------------------|---------------|-----------------------|---------------|
|  | Balance at 31/12/2021 |               | Balance at 31/12/2020 |               |
|  | Non-current           | Current       | Non-current           | Current       |
| Non-bank borrowings at a reduced interest rate | 20,754                | 4,424         | 34,251                | 6,404         |
| Payable to associates                          | 15,717                | 2,406         | 19,109                | 7,565         |
| Other  | 59,651                | 31,893        | 63,632                | 74,541        |
| <b>Total</b>                                   | <b>96,122</b>         | <b>38,723</b> | <b>116,992</b>        | <b>88,510</b> |

The amount corresponding to “Other financial liabilities” in the consolidated statement of financial position mainly includes the financing obtained from public bodies in various countries to carry out certain infrastructure projects.

“Non-bank borrowings at a reduced interest rate” are loans at reduced or zero interest rates granted by the Ministry of Economy, Industry and Competition and dependent agencies. The effect of the financing at market interest rates would not be material.

## 20. Provisions

### 20.01. Non-current

The changes in non-current provisions in 2021 were as follows:

| NON-CURRENT   | Thousands of Euros                             |                              |                     |                                     |                                     |  |                  |
|---|--|------------------------------|---------------------|-------------------------------------|-------------------------------------|--|------------------|
|   | Provision for pensions and similar obligations | Personnel-related Provisions | Provision for taxes | Provision for third-party liability | Provision for environmental actions | Provisions for actions on infrastructure | Total            |
| <b>Balance at 31 December 2020</b>  | <b>481,609</b>                                 | <b>134,507</b>               | <b>7,113</b>        | <b>649,188</b>                      | —                                   | <b>3,958</b>                             | <b>1,276,375</b> |
| Additions or charges for the year   | 9,907  | 44,587                       | 311                 | 763,294                             | —                                   | 3,348                                    | 821,447          |
| Reversals   | (12,508)                                       | (19,909)                     | (33)                | (12,402)                            | —                                   | —  | (44,852)         |
| Amounts used  | (1)  | (44)                         | (594)               | (27,398)                            | —                                   | (3,266)                                  | (31,303)         |
| Increases due to the passing of time and the effect of exchange rates on discount rates | (43,735)                                       | —                            | —                   | —                                   | —                                   | —  | (43,735)         |
| Exchange differences  | 6,101  | 10,834                       | 4                   | 21,620                              | —                                   | —  | 38,559           |
| Transfers and changes in the consolidation perimeter                                    | —  | (90)                         | (6,145)             | (174,989)                           | —                                   | —  | (181,224)        |
| <b>Balance at 31 December 2021</b>  | <b>441,373</b>                                 | <b>169,885</b>               | <b>656</b>          | <b>1,219,313</b>                    | —                                   | <b>4,040</b>                             | <b>1,835,267</b> |

The decrease in provisions for pensions and similar obligations has mainly been due to the increase by Hochtief of the discount rate used to measure its pension obligations in Germany, the United States and the United Kingdom to 1.31%, 2.64% and 1.80%, respectively, at 31 December 2021 (1.00%, 2.17% and 1.45%, respectively, at 31 December 2020).

The total amount of payments arising from lawsuits involving the ACS Group in 2021 and 2020 is not significant in relation to these Consolidated Annual Accounts.

The Group companies recognise provisions on the liability side of the accompanying consolidated statement of financial position for present obligations arising from past events which the companies consider will

probably require an outflow of resources embodying economic benefits to settle them on maturity. These provisions are recognised when the related obligation arises and the amount recognised is the best estimate at the date of the accompanying consolidated annual accounts of the present value of the future expenditure required to settle the obligation. The change in the year relating to the discount to present value is recognised as interest cost in the consolidated income statement. The increase between years is mainly due to the provisions made to cover operational risks, litigation and claims both in Spain and abroad, including guarantees for possible claims related to assets sold, which were reassessed during the year.

Following is detailed information on the Group's provisions, distributed into three large groups:

#### 20.01.01 Provisions for pensions and similar obligations

On the one hand, defined benefit pension obligations were entered into by companies included in the group as a result of the merger by absorption of the Dragados Group in 2003. These obligations were externalised through group life insurance policies, in which investments have been assigned whose flows coincide in timing and amount with the payment schedule of the insured benefits. Based on the valuation made, at 31 December 2021 the amounts required to cover the obligations to current and retired employees amounted to EUR 4,552 thousand (EUR 4,727 thousand in 2020) and EUR 130,707 thousand (EUR 142,990 thousand in 2020), respectively. The actuarial assumptions used in the 2021 and 2020 valuations detailed above, are as follows:

|  |                       |
|--|-----------------------|
| Annual rate of increase of maximum social security pension deficit | 2.00%                 |
| Annual wage increase   | 2.35%                 |
| Annual CPI growth rate   | 2.00%                 |
| Mortality table (*)  | PER2020_Col_1er.orden |

(\*) Guaranteed assumptions which will not vary

The interest rates applied since the pension obligations were externalised ranged from a maximum of 5.93% to a minimum 0.01%. In 2021 and 2020 the interest rate applied was 0.01%.

The amounts relating to the above pension obligations, recognised under "Personnel expenses" in the consolidated income statement for 2021, gave rise to an expense of EUR 10 thousand in 2021 (expense of EUR 1 thousand in 2020), relating mainly to the regularisation and redemption of the pension obligation, for unpaid income accrued, of a certain group of employees from the Dragados Group.

Additionally, ACS, Actividades de Construcción y Servicios, S.A. and other Group companies have alternative pension system obligations to certain members of the management team and Board of Directors of the Parent Company. These obligations have been formalised through several group savings insurance policies that provide benefits in the form of a lump sum, which represented a contribution of EUR 4,714 thousand in 2021 and was recognised under "Personnel expenses" in the consolidated statement of financial position. In 2020, the contribution in this connection amounted to EUR 4,790 thousand.

Except as indicated above, in general, the Spanish Group companies have not established any pension plans to supplement the social security pension benefits. However, pursuant to the Consolidated Pension Fund and Plan Law, in the specific cases in which similar obligations exist, the companies externalise their pension and other similar obligations to employees. The Group has no liability in this connection.

Some of the Group's foreign companies have agreed to supplement the retirement benefit and other similar obligations to its employees, including those from the Hochtief Group. The accrued obligations and, where appropriate, the related plan assets were measured by independent actuarial experts using generally accepted actuarial methods and techniques and the related amounts are recognised under "Non-current provisions – Provisions for pensions and similar obligations" in the accompanying consolidated statement of financial position, in accordance with IFRS.

## Defined benefit plans

Under defined benefit plans, the Group's obligation is to provide agreed benefits to current and former employees. The main pension obligations in Germany consist of direct obligations under the current 2000+ pension plan and deferred compensation plans. The 2000+ plan, in force since 1 January 2000, takes the form of a defined contribution plan. The size of the annual pension component depends on employee income and age (resulting in an annuity conversion factor) and a general pension contribution reviewed by Hochtief A.G. every three years and adjusted as necessary. The amount of the future pension is the total sum of the pension components accrued each year. In isolated instances, length-of-service and final salary pension arrangements are in place for executive staff, however, except for Executive Board members, these arrangements have not been offered since 1995. Benefits comprise a retirement pension, an invalidity pension and a surviving dependants' pension and in almost all cases are granted as a life annuity.

Up until 31 December 2013, employees in Germany also had the option of deferred compensation in a company pension plan. The deferred compensation was invested in selected investment funds. The pension amount is based on the present value of the acquired fund units and the time of retirement, subject to a minimum of the deferred compensation amount plus an annual increase guaranteed by Hochtief that ranges from 3.50% to 1.75%. At retirement, there is a choice between a lump sum payment and an annuity for five or six years.

Outside of Germany, there are defined benefit pension plans at Turner in the United States and Hochtief (UK) in the United Kingdom. The main defined benefit pension plan at Turner was partially settled and transferred in part to insurance companies as at 30 September 2021. This plan was previously frozen on 31 December 2003 and, therefore, no new entitlements could be accrued under the plan. Prior to the transfer, beneficiaries were offered lump sum payments and/or options to begin their distributions, such as a rollover from Turner's defined contribution plan, the 401(k) Turner Retirement Investment Plan ("TRIP"). Defined benefit pension obligations that could not be settled were transferred to insurance companies. A total of EUR 194,544 thousand was paid to beneficiaries or insurance companies, resulting in gains of EUR 557 thousand from the plan settlement. Following the settlement, the remaining plan assets amounted to a total of EUR 11,679 thousand, which will be used for contributions to the 401(k) TRIP in 2022. The remaining obligations at Turner mainly include post-employment benefits in the form of health insurance for retired employees. Hochtief (UK) has a length-of-service and final salary pension plan. For each year of service, 1/75th of the eligible final salary is granted as a monthly pension. Benefits comprise a retirement pension, an invalidity pension and a surviving dependants' pension.

The detail of the Hochtief Group's defined benefit obligations as at 31 December 2021 and 2020 is as follows:

|                                     | Thousands of Euros |               |               |
|-------------------------------------|--------------------|---------------|---------------|
|                                     | 31/12/2021         |               |               |
|                                     | Germany            | USA           | UK            |
| Active members                      | 141,511            | 174           | 11,099        |
| Final salary                        | (31,832)           | —             | (11,099)      |
| Not final salary                    | (109,679)          | (174)         | —             |
| Vested benefits                     | 155,684            | 9             | 20,572        |
| Retirees                            | 483,991            | 592           | 26,505        |
| Similar obligations                 | 86                 | 62,572        | —             |
| <b>Total</b>                        | <b>781,272</b>     | <b>63,347</b> | <b>58,176</b> |
| <b>Duration in years (weighted)</b> | <b>14.6</b>        | <b>13.8</b>   | <b>17.4</b>   |

|                                     | Thousands of Euros |                |               |
|-------------------------------------|--------------------|----------------|---------------|
|                                     | 31/12/2020         |                |               |
|                                     | Germany            | USA            | UK            |
| Active members                      | 145,340            | 78,340         | 9,980         |
| Final salary                        | (29,113)           | —              | (9,980)       |
| Not final salary                    | (116,227)          | (78,340)       | —             |
| Vested benefits                     | 163,479            | 42,675         | 19,846        |
| Retirees                            | 509,540            | 90,078         | 26,225        |
| Similar obligations                 | 90                 | 65,813         | —             |
| <b>Total</b>                        | <b>818,449</b>     | <b>276,906</b> | <b>56,051</b> |
| <b>Duration in years (weighted)</b> | <b>15.0</b>        | <b>10.1</b>    | <b>19.3</b>   |

## Plan assets

### Germany

There are no legal or regulatory minimum funding requirements for pension plans in Germany. Domestic pension obligations are fully funded. The funded plans take the form of a contractual trust arrangement (CTA). The transferred assets are managed by an external trustee and are solely used to fund the domestic pension obligations of the fund. The transferred cash is invested in the capital market in accordance with investment principles set out in the trust agreement and the investment guidelines. Investment decisions are not taken by the trustee, but rather by an investment committee.

The investment guidelines and decisions are based on the findings of an asset liability matching (ALM) study compiled by outside specialists at regular intervals of three or five years. This uses Monte Carlo simulation method to model the development of the pension liabilities and other key economic factors over a very long forward horizon and in numerous combinations. Based on the ALM study, a range of criteria are then applied to determine the optimum asset allocation in order to ensure that pension liabilities can be met in the long term.

In order to achieve an optimal conservative risk structure, cross-sector risk management has also been adopted, which uses the services of an independent external cross-sector manager with an annual fixed risk budget in a clearly structured cross-sector risk management process. Hochtief aims to ensure the full funding of pension obligations and to fund new vested benefits on the basis of current service cost on an annual or at least timely basis. If at any time there is a shortfall, the companies would make an additional payment. Pension obligations in Germany in excess of the contribution assessment ceiling applied in the legal pension insurance scheme are also covered through pension liability insurance. Pension liabilities from deferred employee compensation offered up until 31 December 2013 were funded through the purchase of retail fund units. Funding of the obligations handled by Hochtief Pension Trust e.V. as at 31 December 2021 is around 47% (45% in 2020); the figure for Germany as a whole is around 53% (51% in 2020). It should be noted that pension obligations have increased significantly in recent years due to the low market interest rates and the expectation that the funding ratio will once again increase significantly when interest rates rise.

### USA

The management of the Turner Group's frozen defined benefit pension obligations has also been entrusted to a pension fund. These obligations were transferred at 30 September 2021 and the plan assets were used for lump sum payments to insurance companies and beneficiaries. The surplus plan assets remaining after the transfer will be used in 2022 for the payment of benefits under defined contribution plans.

### United Kingdom

The plan assets of the Hochtief (UK) plan are also funded by means of a trust. Legal minimum funding requirements apply. If funding is insufficient to make up a funding shortfall, an additional restructuring plan is

drawn up. Plan funding is reviewed at least once every three years. Funding of pension obligations at Hochtief (UK) is around 83% (74% in 2020).

Defined benefit obligations are covered by plan assets as follows:

### Coverage of defined benefit obligations by plan assets

|   | Thousands of Euros          |                |                             |                |
|---|-----------------------------|----------------|-----------------------------|----------------|
|   | 31/12/2021                  |                | 31/12/2020                  |                |
|   | Defined benefit obligations | Plan assets    | Defined benefit obligations | Plan assets    |
| Uncovered by plan assets                | 63,347                      | —              | 67,008                      | —              |
| Partially covered by plan assets        | 837,443                     | 459,417        | 872,232                     | 457,633        |
| <b>Not fully covered by plan assets</b> | <b>900,790</b>              | <b>459,417</b> | <b>939,240</b>              | <b>457,633</b> |
| Fully covered by plan assets            | 2,005                       | 2,418          | 212,166                     | 228,342        |
| <b>Total</b>                            | <b>902,795</b>              | <b>461,835</b> | <b>1,151,406</b>            | <b>685,975</b> |

### Actuarial assumptions

The size of pension provisions is determined on an actuarial basis. This necessarily involves estimates. Specifically, the actuarial assumptions used in 2021 and 2020 are as follows:

|                    | Percent |      |      |         |      |      |
|--------------------|---------|------|------|---------|------|------|
|                    | 2021    |      |      | 2020    |      |      |
|                    | Germany | USA  | UK   | Germany | USA  | UK   |
| Discount factor*   | 1.31    | 2.64 | 1.80 | 1.00    | 2.17 | 1.45 |
| Salary increases   | 2.75    | —    | 2.50 | 2.75    | —    | 2.00 |
| Pension increases* | 1.75    | —    | 3.45 | 1.50    | —    | 3.30 |

\* Weighted average

The discount factors are obtained from the Mercer Pension Discount Yield Curve (MPDYC) model, taking into account the company-specific duration of pension liabilities. Salary and pension increases ceased to be taken into account in the US (Turner Group) in 2004 as a result of changes in pension arrangements.

Biometric mortality assumptions are based on published country-specific statistics and experience. The following mortality tables were used in the actuarial calculation of pension obligations:

|         |  |
|---------|--|
| Germany | Heubeck 2018G mortality tables                               |
| USA     | PRI2012 mortality table projected generationally with MP2020 |
| UK      | S2PxA CMI_2019 (1,25 %) year of birth                        |

The present value of defined benefit obligations and the market value of plan assets have changed as follows:

### Changes in the present value of defined benefit obligations

|  | Thousands of Euros |                   |                  |                |                   |                  |
|--|--------------------|-------------------|------------------|----------------|-------------------|------------------|
|  | 2021               |                   |                  | 2020           |                   |                  |
|  | Germany            | Rest of the world | Total            | Germany        | Rest of the world | Total            |
| <b>Defined benefit obligations at start of year</b>                        | <b>818,449</b>     | <b>332,957</b>    | <b>1,151,406</b> | <b>800,024</b> | <b>337,982</b>    | <b>1,138,006</b> |
| Current service costs  | 7,126              | 2,780             | 9,906            | 6,992          | 2,454             | 9,446            |
| Gain on settlements  | —                  | (557)             | (557)            | —              | —                 | —                |
| Interest expense   | 7,999              | 5,837             | 13,836           | 10,159         | 9,168             | 19,327           |
| Remeasurements   |                    |                   |                  |                |                   |                  |
| Actuarial gains / (losses) arising from changes in demographic assumptions | —                  | (8,996)           | (8,996)          | —              | (1,422)           | (1,422)          |
| Actuarial gains / (losses) arising from changes in financial assumptions   | (16,019)           | (5,940)           | (21,959)         | 35,897         | 27,937            | 63,834           |
| Actuarial gains / (losses) arising from experience adjustments             | 422                | 1,274             | 1,696            | 2,222          | 2,058             | 4,280            |
| Benefits paid from Company assets  | (391)              | (3,606)           | (3,997)          | (425)          | (2,814)           | (3,239)          |
| Benefits paid from fund assets   | (36,263)           | (24,943)          | (61,206)         | (36,383)       | (14,462)          | (50,845)         |
| Settlements paid from Company assets                                       | —                  | (74)              | (74)             | —              | —                 | —                |
| Settlements paid from funds assets   | —                  | (194,470)         | (194,470)        | —              | —                 | —                |
| Employee contributions   | —                  | 83                | 83               | —              | 98                | 98               |
| Effect of transfers  | (51)               | —                 | (51)             | (37)           | —                 | (37)             |
| Changes in the consolidation perimeter                                     | —                  | —                 | —                | —              | —                 | —                |
| Currency adjustments   | —                  | 17,178            | 17,178           | —              | (28,042)          | (28,042)         |
| <b>Defined benefit obligations at end of year</b>                          | <b>781,272</b>     | <b>121,523</b>    | <b>902,795</b>   | <b>818,449</b> | <b>332,957</b>    | <b>1,151,406</b> |

### Changes in the market value of plan assets

|  | Thousands of Euros |                   |                |                |                   |                |
|--|--------------------|-------------------|----------------|----------------|-------------------|----------------|
|  | 2021               |                   |                | 2020           |                   |                |
|  | Germany            | Rest of the world | Total          | Germany        | Rest of the world | Total          |
| <b>Plan assets at start of year</b>  | <b>418,566</b>     | <b>267,409</b>    | <b>685,975</b> | <b>452,797</b> | <b>272,529</b>    | <b>725,326</b> |
| Interest on plan assets  | 4,161              | 4,196             | 8,357          | 5,858          | 7,284             | 13,142         |
| Plan expenses paid from plan assets recognized in profit or loss           | —                  | (958)             | (958)          | —              | (1,404)           | (1,404)        |
| Remeasurements   |                    |                   |                |                |                   |                |
| Return on plan assets no included in net interest expense / income         | 20,871             | (4,246)           | 16,625         | (9,853)        | 23,902            | 14,049         |
| Difference between plan expenses expected and recognized in profit or loss | —                  | (967)             | (967)          | —              | 88                | 88             |
| Employer contributions   | 6,286              | 2,108             | 8,394          | 6,147          | 2,064             | 8,211          |
| Employee contributions   | —                  | 83                | 83             | —              | 98                | 98             |
| Benefits paid  | (36,263)           | (24,943)          | (61,206)       | (36,383)       | (14,462)          | (50,845)       |
| Settlements paid   | —                  | (194,470)         | (194,470)      | —              | —                 | —              |
| Transfer of plan surplus after plan settlement                             | —                  | (11,679)          | (11,679)       | —              | —                 | —              |
| Effect of transfers  | (8)                | —                 | (8)            | —              | —                 | —              |
| Currency adjustments   | —                  | 11,689            | 11,689         | —              | (22,690)          | (22,690)       |
| <b>Plan assets at end of year</b>  | <b>413,613</b>     | <b>48,222</b>     | <b>461,835</b> | <b>418,566</b> | <b>267,409</b>    | <b>685,975</b> |

Investments in plan assets to cover future pension obligations gave rise to an actual expenditure of EUR 24,982 thousand in 2021 (EUR 27,191 thousand in 2020).

The pension provisions are determined as follows:

### Reconciliation of pension obligations to provisions for pensions and similar obligations

|   | Thousands of Euros |                |
|---|--------------------|----------------|
|   | 31/12/2021         | 31/12/2020     |
| Defined benefit obligations                           | 902,795            | 1,151,406      |
| Less plan assets                                      | 461,835            | 685,975        |
| <b>Funding status</b>                                 | <b>440,960</b>     | <b>465,431</b> |
| Assets from overfunded pension plans                  | 413                | 16,176         |
| <b>Provision for pensions and similar obligations</b> | <b>441,373</b>     | <b>481,607</b> |

The fair value of the plan assets is divided among asset classes as follows:

### Breakdown of plan assets

|                                  | Thousands of Euros             |                |                |               |
|----------------------------------|--------------------------------|----------------|----------------|---------------|
|                                  | 31/12/2021                     |                |                |               |
|                                  | Fair value                     |                | Total          | %             |
| Quoted in an active market       | Not quoted in an active market |                |                |               |
| Stock                            |                                |                |                |               |
| U.S. equities                    | 30,886                         | —              | 30,886         | 6.69          |
| European equities                | 22,940                         | —              | 22,940         | 4.97          |
| Emerging market equities         | 7,913                          | —              | 7,913          | 1.71          |
| Other equities                   | 9,719                          | —              | 9,719          | 2.10          |
| Bonds                            |                                |                |                |               |
| U.S. government bonds            | 13,585                         | 1,094          | 14,679         | 3.18          |
| European government bonds        | 20,626                         | —              | 20,626         | 4.47          |
| Emerging market government bonds | 20,419                         | —              | 20,419         | 4.42          |
| Corporate bonds                  | 67,571                         | —              | 67,571         | 14.63         |
| Other bonds                      | 2,070                          | 782            | 2,852          | 0.62          |
| Secure loans                     |                                |                |                |               |
| USA                              | 8,392                          | —              | 8,392          | 1.82          |
| Europe                           | 8,550                          | —              | 8,550          | 1.85          |
| Investment bonds                 | 60,807                         | —              | 60,807         | 13.17         |
| Real state                       | —                              | 57,081         | 57,081         | 12.36         |
| Infrastructure                   | —                              | 40,539         | 40,539         | 8.78          |
| Insurance policies               | —                              | 79,472         | 79,472         | 17.21         |
| Cash                             | 8,795                          | —              | 8,795          | 1.90          |
| Other                            | 764                            | (170)          | 594            | 0.13          |
| <b>Total</b>                     | <b>283,037</b>                 | <b>178,798</b> | <b>461,835</b> | <b>100.00</b> |



|                                  | Thousands of Euros         |                                |                |               |
|----------------------------------|----------------------------|--------------------------------|----------------|---------------|
|                                  | 31/12/2020                 |                                |                |               |
|                                  | Fair value                 |                                | Total          | %             |
|                                  | Quoted in an active market | Not quoted in an active market |                |               |
| Stock                            |                            |                                |                |               |
| U.S. equities                    | 23,085                     | —                              | 23,085         | 3.37          |
| European equities                | 24,858                     | —                              | 24,858         | 3.62          |
| Emerging market equities         | 10,423                     | —                              | 10,423         | 1.52          |
| Other equities                   | 14,867                     | —                              | 14,867         | 2.17          |
| Bonds                            |                            |                                |                |               |
| U.S. government bonds            | 48,102                     | 1,111                          | 49,213         | 7.17          |
| European government bonds        | 22,095                     | —                              | 22,095         | 3.22          |
| Emerging market government bonds | 25,108                     | —                              | 25,108         | 3.66          |
| Corporate bonds                  | 242,892                    | —                              | 242,892        | 35.41         |
| Other bonds                      | 17,127                     | 1,709                          | 18,836         | 2.75          |
| Secure loans                     |                            |                                |                |               |
| USA                              | 8,476                      | —                              | 8,476          | 1.24          |
| Europe                           | 8,744                      | —                              | 8,744          | 1.27          |
| Investment bonds                 | 51,591                     | —                              | 51,591         | 7.52          |
| Real state                       | —                          | 55,866                         | 55,866         | 8.14          |
| Infrastructure                   | —                          | 33,909                         | 33,909         | 4.94          |
| Insurance policies               | —                          | 81,085                         | 81,085         | 11.82         |
| Cash                             | 13,412                     | —                              | 13,412         | 1.96          |
| Other                            | 697                        | 818                            | 1,515          | 0.22          |
| <b>Total</b>                     | <b>511,477</b>             | <b>174,498</b>                 | <b>685,975</b> | <b>100.00</b> |

Pension expenses under defined benefit plans are broken down as follows:

|   | Thousands of Euros |                   |                |                |                   |                 |
|---|--------------------|-------------------|----------------|----------------|-------------------|-----------------|
|   | 2021               |                   |                | 2020           |                   |                 |
|   | Germany            | Rest of the world | Total          | Germany        | Rest of the world | Total           |
| Current service cost  | 7,126              | 2,780             | 9,906          | 6,992          | 2,454             | 9,446           |
| Post service cost   | —                  | —                 | —              | —              | —                 | —               |
| <b>Gain on settlements</b>  | —                  | (557)             | (557)          | —              | —                 | —               |
| <b>Total personnel expense</b>  | <b>7,126</b>       | <b>2,223</b>      | <b>9,349</b>   | <b>6,992</b>   | <b>2,454</b>      | <b>9,446</b>    |
| Interest expense for accrued benefit obligations                          | 7,999              | 5,837             | 13,836         | 10,159         | 9,168             | 19,327          |
| <b>Interest on plan assets</b>  | <b>(4,161)</b>     | <b>(4,196)</b>    | <b>(8,357)</b> | <b>(5,858)</b> | <b>(7,284)</b>    | <b>(13,142)</b> |
| <b>Net interest expense / income (net investment and interest income)</b> | <b>3,838</b>       | <b>1,641</b>      | <b>5,479</b>   | <b>4,301</b>   | <b>1,884</b>      | <b>6,185</b>    |
| <b>Plan expenses paid from plan assets recognized in profit or loss</b>   | —                  | 958               | 958            | —              | 1,404             | 1,404           |
| <b>Total amount recognized in profit or loss</b>                          | <b>10,964</b>      | <b>4,822</b>      | <b>15,786</b>  | <b>11,293</b>  | <b>5,742</b>      | <b>17,035</b>   |

In addition to the expenses recognised in the income statement, the consolidated statement of comprehensive income includes EUR 32,173 thousand (actuarial losses of EUR 38,747 thousand in 2020) in adjustments to defined benefit plans in 2021 before deferred taxes and after changes in the consolidation perimeter and exchange rate. Before deferred taxes, cumulative actuarial losses amounted to EUR 505,604 thousand (EUR 537,777 thousand in 2020).

The Turner Group's obligations to meet healthcare costs for retired employees are included in the pension provisions due to their pension-like nature. At 31 December 2021, the defined benefit obligation came to EUR 62,572 thousand (EUR 65,813 thousand in 2020). Healthcare costs represented EUR 2,522 thousand (EUR 2,194 thousand in 2020) of the current service cost and EUR 1,670 thousand (EUR 2,016 thousand in 2020) of the interest expense.

### Sensitivity analysis

Pension obligations in the Hochtief Group are subject to the following significant risks:

#### Interest rate risk

For defined contribution plans, (notional) contributions are translated into benefits using a table of fixed interest rates, independent of the current market interest rate. Hochtief thus bears the risk of general capital market interest rate changes as regards the determination of benefits. Pension obligations have increased significantly in recent years due to the generally low level of interest rates in capital markets. This has a significant impact due to the relatively long term of the obligations.

#### Inflation risk

By law, company pensions in Germany must be raised in line with the inflation rate at least every three years. German company pensions under the 2000+ plan rise at an annual fixed rate of 1% and, therefore, there is only minor inflation risk in the payment phase. Turner's pension plans are not exposed to inflation risk.

#### Longevity risk

Granting pensions in the form of life annuities means that Hochtief bears the risk of pensioners living longer than predicted by actuarial calculations. This risk normally averages out across all pension plan participants and only comes into play if general longevity is longer than expected.

The impact of the stated risks on the defined benefit obligations under a corresponding change in actuarial assumptions is shown in the sensitivity analysis that follows.

#### Impact on the defined benefit obligations

|                                   | Thousands of Euros |          |                   |          |           |          |
|-----------------------------------|--------------------|----------|-------------------|----------|-----------|----------|
|                                   | 31/12/2021         |          |                   |          |           |          |
|                                   | Germany            |          | Rest of the world |          | Total     |          |
|                                   | Increase           | Decrease | Increase          | Decrease | Increase  | Decrease |
| Discount rate +0,50% / -0,50%     | (53,814)           | 60,436   | (8,880)           | 10,011   | (62,694)  | 70,447   |
| Discount rate +1,00% / -1,00%     | (101,569)          | 130,211  | (16,782)          | 21,334   | (118,351) | 151,545  |
| Salary increases +0,50% / -0,50%  | 589                | (571)    | 563               | (521)    | 1,152     | (1,092)  |
| Pension increases +0,25% / -0,25% | 20,211             | (19,268) | 1,425             | (1,397)  | 21,636    | (20,665) |
| Life expectancy +1 year           | 40,407             | n/a      | 3,858             | n/a      | 44,265    | n/a      |

|                                   | Thousands of Euros |          |                   |          |           |          |
|-----------------------------------|--------------------|----------|-------------------|----------|-----------|----------|
|                                   | 31/12/2020         |          |                   |          |           |          |
|                                   | Germany            |          | Rest of the world |          | Total     |          |
|                                   | Increase           | Decrease | Increase          | Decrease | Increase  | Decrease |
| Discount rate +0,50% / -0,50%     | (57,951)           | 64,904   | (18,327)          | 20,409   | (76,278)  | 85,313   |
| Discount rate +1,00% / -1,00%     | (107,900)          | 138,887  | (34,851)          | 43,221   | (142,751) | 182,108  |
| Salary increases +0,50% / -0,50%  | 619                | (602)    | 591               | (558)    | 1,210     | (1,160)  |
| Pension increases +0,25% / -0,25% | 19,947             | (19,191) | 1,442             | (1,376)  | 21,389    | (20,567) |
| Life expectancy +1 year           | 41,615             | n/a      | 9,678             | n/a      | 51,293    | n/a      |

## Future cash flows

### Benefit payments

At 31 December 2021, the future pension plan payments are as follows:

|                     | Thousands of Euros |
|---------------------|--------------------|
| Due in 2022         | 40,128             |
| Due in 2023         | 41,489             |
| Due in 2024         | 41,292             |
| Due in 2025         | 41,729             |
| Due in 2026         | 42,117             |
| Due in 2027 to 2031 | 200,108            |

### Contributions to defined benefit plans

Contributions to defined benefit plans in 2022 are expected to amount to EUR 8,700 thousand.

### Defined contribution plans

Under defined contribution plans, the Company pays into a state or private pension fund voluntarily or in accordance with legal or contractual provisions. It has no obligation to pay further contributions.

There are defined contribution plans at Turner, Flatiron and E.E. Cruz in the US, and at Cimic in Australia. Depending on length of service, Turner pays between 3% and 9% of the employee's salary into external funds managed by the defined contribution registrar. In addition, Turner employees have the option to defer a portion of their base salary up to the IRS annual limits in the defined contribution or 401(k) plan. Turner then matches the first 5% of the employee's base salary up to 100%, depending on length of service. All eligible employees are automatically enrolled in the plan immediately after being hired and are vested in the company's contributions after three years' service. The majority of payments into the fund are tax exempt, but it is also possible to make contributions out of taxable income and receive the investment returns tax free, with the investment risk being borne by the employees. The defined contribution plans at Flatiron and E.E. Cruz are also 401(k) plans. All non-union employees are entitled to participate. For salaried employees, an initial contribution of 3.0% of their salary is made, regardless of the contribution they make. Employees can increase their contributions through deferred compensation. Employees' own contribution is doubled up to an additional 3.0% of their salary. In E.E Cruz, this also applies to manual workers. For the workers at Flatiron, 4.0% of their salary is deducted as a contribution payment, regardless of their own participation in the plan. In Australia, Cimic has paid 10.00% (previously 9.50%) of the total wage and salary into the legal (retirement) pension plan since 1 July 2021. The contribution rate is expected to gradually increase up to 12.0% by 2025. Employees have a choice of investment funds and bear the investment risk. In addition, they can make supplementary contributions on a voluntary basis, which are tax exempt. Además, pueden

realizar aportaciones complementarias con carácter voluntario, las cuales se benefician de una exención fiscal.

The following amounts were paid into defined contribution plans and state pension schemes in 2021 and 2020:

|   | Thousands of Euros |                |
|---|--------------------|----------------|
|   | 2021               | 2020           |
| <b>Amounts paid into defined contribution plans</b>             |                    |                |
| Cimic   | 103,088            | 129,443        |
| Turner  | 55,001             | 53,578         |
| Flatiron  | 8,805              | 10,036         |
| Other   | 979                | 863            |
| <b>Total</b>  | <b>167,873</b>     | <b>193,920</b> |
| <b>Amounts paid into state pension schemes (employer share)</b> | <b>26,419</b>      | <b>26,561</b>  |

The expenses are recognised as personnel expenses in the consolidated income statement.

#### 20.01.02. Provisions for taxes

Non-current provisions include the amounts estimated by the Group to settle claims brought in connection with the payment of various taxes, levies and local taxes, mainly property tax and other possible contingencies, and the estimated consideration required to settle probable or certain liabilities and outstanding obligations for which the exact amount of the corresponding payment cannot be determined or for which the actual settlement date is not known, since they are contingent upon meeting certain terms. These provisions have been provided in accordance with the specific analysis of the probability that the related tax contingency or challenge might be contrary to the interests of the ACS Group, under the consideration of the country in which it has its origin and in accordance with the tax rates in this country. Since the timing for these provisions is dependent on certain facts, in some cases associated with the decisions handed down by the courts or similar bodies, the Group does not update these provisions given the uncertainty of the exact time in which the related risk may arise or disappear. The change during the year is mainly due to the exclusion of most of the Industrial Division from the consolidation perimeter as a result of the sale of the majority of this division (see Note 03.09.02).

#### 20.01.03. Provisions for third-party liabilities.

These relate mainly to the following:

##### *Provisions for litigation*

These provisions cover the risks arising from ACS Group companies which are party to certain legal proceedings due to the liability inherent to the activities carried on by them. The lawsuits, although numerous, represent scanty material amounts when considered individually based on the size of the ACS Group. Period charges to these provisions are made based on an analysis of the lawsuits or claims in progress, according to the reports prepared by the legal advisers of the ACS Group. As in the case of provisions for taxes, these amounts are not updated to the extent that the time at which the risk arises or disappears depends on circumstances linked to judgments or arbitration and it is impossible to determine the date on which they will be resolved. Additionally, these provisions are not derecognised until the judgments handed down are final and payment is made or there is no doubt as to the disappearance of the associated risk. The increase between years is mainly due to the provisions made to cover operational risks, litigation and claims both in Spain and abroad, including guarantees for possible claims related to assets sold, which were reassessed during the year. Note 36 refers to the ACS Group's main contingencies.

### Guarantees and contractual and legal obligations

This heading includes the provisions to cover the expenses arising from contractual and legal obligations of a non-environmental nature. A significant portion of these provisions is made by increasing the value of those assets related to the obligations assumed in relation to administrative concession administrative at the beginning of the contractual agreement, whose effect on profit or loss occurs when the asset is depreciated on the basis of the depreciation rates. Additionally, it includes provisions for toll road concession companies, in relation to the costs of future expropriations borne by the concession companies in accordance with agreements with the grantors, and the current value of the investments made in concession contracts (including the improvements in infrastructure already foreseen and unavoidable in the initial agreement), according to the respective financial economic models.

Period charges to these provisions are mainly made to cover the costs associated with toll road concession contracts and other activities undertaken in the form of a concession. Such provisions are made when the associated commitments arise, the timing of their use being associated with the use of the infrastructure and/or its wear. Timing is analysed according to the financial and economic model of each concession, considering related historical information in order to adjust for possible deviations that might arise in the payment schedule set for these models.

The breakdown of provisions for third-party liabilities, by line of business, at 31 December 2021 is as follows:

| Line of Business    | Thousands of Euros |
|---------------------|--------------------|
| Construction        | 506,673            |
| Industrial Services | 445,019            |
| Services            | 29,636             |
| Corporation         | 237,985            |
| <b>Total</b>        | <b>1,219,313</b>   |

The most significant provisions in the Infrastructure area relate to the Hochtief Group, for which period provisions were made at 31 December 2021 amounting to EUR 287,968 thousand (EUR 224,376 thousand at 31 December 2020) for employee obligations and claims.

### 20.02. Current

The changes in current provisions in 2021 were as follows:

| CURRENT                                | Thousands of Euros                 |  |  |                |
|--|------------------------------------|--|--|----------------|
|  | Provision for termination benefits | Provision for contract work completion | Provision for other traffic operations | Total          |
| <b>Balance at 31 December 2020</b>     | <b>14,692</b>                      | <b>30,001</b>                          | <b>876,685</b>                         | <b>921,378</b> |
| Additions or charges for the year      | 8,749                              | 15,893                                 | 562,361                                | 587,003        |
| Amounts used                           | (338)                              | (5,732)                                | (371,994)                              | (378,064)      |
| Reversals                              | (10,943)                           | (5,433)                                | (75,235)                               | (91,611)       |
| Exchange differences                   | (290)                              | 45                                     | 37,480                                 | 37,235         |
| Changes in the consolidation perimeter | (10,483)                           | 2,211                                  | (71,105)                               | (79,377)       |
| Transfers                              | —                                  | —                                      | —                                      | —              |
| <b>Balance at 31 December 2021</b>     | <b>1,387</b>                       | <b>36,985</b>                          | <b>958,192</b>                         | <b>996,564</b> |

The provision for the completion of the corresponding work, which is for the most part the budgeted or estimated losses during the execution of the works associated with onerous contracts.

The provision for other ordinary operations relates mainly to provisions recorded for the construction activities to cover risks and claims associated with the works.

## 21. Financial risk and capital management

In view of its activities, the ACS Group is exposed to various financial risks, mainly arising from the ordinary course of its operations, the borrowings to finance its operating activities, and its investments in companies with functional currencies other than the euro. Consequently, the Group assesses the risks arising from market performance and how they may affect the consolidated financial statements. The financial risks to which the operating units are subject include mainly interest rate, foreign currency, liquidity and credit risks. The ACS Group's exposure to climate risk is described in Note 21.08. and in the integrated report.

### 21.01. Cash flow interest rate risk

This risk arises from changes in future cash flows relating to borrowings bearing interest at floating rates (or with current maturity and likely renewal) as a result of fluctuations in market interest rates.

The objective of the management of this risk is to mitigate the impact on borrowing costs arising from fluctuations in interest rates. For this purpose, financial derivatives that guarantee fixed interest rates or rates with caps and floors are arranged for a substantial portion of the borrowings that may be affected by this risk (see Note 22).

The sensitivity of the ACS Group's profit and equity to changes in interest rates, taking into account its existing hedging instruments and fixed rate financing, is as follows:

| Year | Increase / Decrease<br>in the interest rate<br>(basic points) | Thousands of Euros          |                  |
|------|---|-----------------------------|------------------|
|      |   | Effect on profit or<br>loss | Effect on equity |
|      |   | (prior to tax)              | (after tax)      |
| 2021 | 50  | 28,244                      | 17,154           |
|      | -50   | (28,244)                    | (17,154)         |
| 2020 | 50  | 8,840                       | 25,743           |
|      | -50   | (8,840)                     | (25,743)         |

### 21.02. Foreign currency risk

The foreign currency risk arises mainly from the foreign operations of the ACS Group that makes investments and carries out business transactions in functional currencies other than the euro, and from loans granted to Group companies in currencies other than those of the countries in which they are located.

To hedge the risk inherent to structural investments in foreign operations with a functional currency other than the euro, the Group endeavours to make these investments in the same functional currency as the assets being financed.

For the hedging of net positions in currencies other than the euro in the performance of contracts in force and contracts in the backlog, the Group uses various financial instruments for the purpose of mitigating exposure to foreign currency risk (see Note 22).

The sensitivity analysis shown below reflects the potential effect on the ACS Group, both on equity and on the consolidated income statement, of a five per cent fluctuation in the most significant currencies in comparison with the functional currency of each Group company, based on the situation at the end of the reporting period.

## Effect on profit or loss before tax:

| Functional currency | Currency | Millions of Euros |      |       |      |
|---------------------|----------|-------------------|------|-------|------|
|                     |          | 2021              |      | 2020  |      |
|                     |          | 5%                | -5%  | 5%    | -5%  |
| EUR                 | USD      | -12.0             | 12.0 | -11.0 | 11.0 |
| EUR                 | CAD      | -5.3              | 5.3  | 4.0   | -4.0 |
| USD                 | EUR      | -5.0              | 5.0  | -0.2  | 0.2  |
| CZK                 | EUR      | 3.2               | -3.2 | -1.2  | 1.2  |
| EUR                 | MXN      | 2.7               | -2.7 | 1.4   | -1.4 |
| EUR                 | GBP      | 1.8               | -1.8 | 0.6   | -0.6 |
| AUD                 | USD      | 1.0               | -1.0 | 3.2   | -3.2 |
| AUD                 | SGC      | 0.7               | -0.7 | 1.3   | -1.3 |

## Effect on equity before tax:

| Functional currency | Currency | Millions of Euros |       |       |        |
|---------------------|----------|-------------------|-------|-------|--------|
|                     |          | 2021              |       | 2020  |        |
|                     |          | 5%                | -5%   | 5%    | -5%    |
| EUR                 | USD      | 87.3              | -87.3 | 102.0 | -102.0 |
| AUD                 | EUR      | 32.1              | -32.1 | -0.3  | 0.3    |
| EUR                 | GBP      | 15.4              | -15.4 | 11.0  | -11.0  |
| EUR                 | CAD      | 13.9              | -13.9 | 12.1  | -12.1  |
| EUR                 | MXN      | 9.7               | -9.7  | 16.5  | -16.5  |
| EUR                 | PEN      | 6.6               | -6.6  | 6.0   | -6.0   |
| EUR                 | NOK      | 4.9               | -4.9  | 4.7   | -4.7   |
| EUR                 | DZD      | 2.8               | -2.8  | 3.1   | -3.1   |

The following tables show the breakdown of the major foreign currencies of the financial assets and liabilities of the ACS Group:

## At 31 December 2021

|   | Millions of Euros |                    |                      |                    |                    |                         |                  | Balance at 31/12/2021 |
|---|-------------------|--------------------|----------------------|--------------------|--------------------|-------------------------|------------------|-----------------------|
|   | US Dollar (USD)   | Polish zloty (PLN) | Pound sterling (GBP) | Chilean Peso (CLP) | Mexican Peso (MXP) | Australian Dollar (AUD) | Other currencies |                       |
| Marketable securities (portfolio of short-term and long-term investments)   | —                 | —                  | —                    | —                  | —                  | 53,903                  | —                | 53,903                |
| Loans to associates   | 849,274           | —                  | 37,477               | —                  | —                  | 68,400                  | 1,551            | 956,702               |
| Other loans   | 20,517            | —                  | —                    | —                  | —                  | —                       | 4,153            | 24,670                |
| Bank borrowings, debt, and other held-for-trading liabilities (non-current) | 277,758           | 2,762              | 28,273               | —                  | —                  | 767,133                 | 620,385          | 1,696,311             |
| Bank borrowings, debt, and other held-for-trading liabilities (current)     | 470,213           | 18,942             | 11,190               | 1,564              | 49,403             | 176,591                 | 47,680           | 775,583               |

At 31 December 2020

|   | Millions of Euros |                      |                       |                    |                    |                         |                  |                       |
|---|-------------------|----------------------|-----------------------|--------------------|--------------------|-------------------------|------------------|-----------------------|
|   | US Dollar (USD)   | Brazilian Real (BRL) | Moroccan Dirham (MAD) | Chilean Peso (CLP) | Mexican Peso (MXP) | Australian Dollar (AUD) | Other currencies | Balance at 31/12/2020 |
| Marketable securities (portfolio of short-term and long-term investments)   | —                 | —                    | —                     | 1,438              | 24,963             | 35,918                  | 9                | 62,328                |
| Loans to associates   | 770,459           | 3                    | 13                    | —                  | 65,522             | 57,286                  | 42,061           | 935,344               |
| Other loans   | 1,512             | —                    | —                     | 5,564              | 14                 | —                       | 2,191            | 9,281                 |
| Bank borrowings, debt, and other held-for-trading liabilities (non-current) | 275,887           | 18,131               | —                     | —                  | —                  | 1,690,115               | 27,738           | 2,011,871             |
| Bank borrowings, debt, and other held-for-trading liabilities (current)     | 340,088           | 27,248               | (72)                  | 23,151             | (7,634)            | 132,109                 | 135,067          | 649,957               |

### 21.03. Liquidity risk

This risk arises from the timing differences between borrowing requirements for business investment commitments, debt maturities, working capital requirements, etc. and the funds obtained from the conduct of the Group's ordinary operations, different forms of bank financing, capital market transactions and divestments.

The ACS Group has a policy for proactively managing its liquidity risk, closely monitoring its cash and the maturity of its financial obligations. The Group also manages liquidity risk through the efficient management of investments and working capital and the arrangement of lines of long-term financing.

The Group's objective with respect to the management of liquidity risk to maintain a balance between the flexibility, term and conditions of the credit facilities arranged on the basis of projected short-, medium-, and long-term fund requirements. In this connection, the use of project finance with limited recourse as described in Note 18 and current financing for working capital requirements are noteworthy.

Certain transactions were carried out in 2021 that significantly reduced the liquidity risk of the ACS Group. The following stand out:

- ACS, Actividades de Construcción y Servicios, S.A. renewed the Euro Commercial Paper (ECP) programme for a maximum amount of EUR 750 million, the Negotiable European Commercial Paper (NEU CP) programme for EUR 500 million, and the debt issuance programme known as Euro Medium-Term Note Programme (EMTN Programme) for a maximum amount of EUR 1,500 million.
- Hochtief and Cimic have issued bonds in the amount of EUR 500 million and EUR 625 million with a term of 8 years, respectively.
- On 30 December 2021, the ACS Group received EUR 4,901.7 million in cash corresponding to the sale of most of the Industrial Services Division, which is recognised under "Cash and cash equivalents" in the accompanying statement of financial position.
- In March 2021, the credit rating agency Standard and Poor's (S&P) granted ACS, Actividades de Construcción y Servicios, S.A. a long-term corporate credit rating of BBB- and a short-term rating of A-3, with a stable outlook. Hochtief and Cimic also obtained the same credit rating.

These refinancing transactions improved the liquidity of the ACS Group's operations, which, combined with the funds generated by its activities, will allow it to adequately fund its operations in 2022.

At 31 December 2021, "Other current financial assets" in the consolidated statement of financial position (see Note 6) amounts to EUR 1,280,079 thousand (EUR 1,354,982 thousand at 31 December 2020), of which EUR 689,171 thousand (EUR 771,948 thousand at 31 December 2020) could be settled in less than three months, if the Group chooses to do so, due to the instrument's own liquid nature or its own term. In addition, the fair value of the forward contracts (settled by differences) relating to ACS shares amounting to



EUR 198,842 thousand at 31 December 2021 (EUR 247,163 thousand at 31 December 2020) are considered to be liquid, since they may be disposed of at any time (see Note 22).

Lastly, as a precautionary measure against this risk, the shareholders at the ACS Group's Annual General Meeting held on 10 May 2020 approved a motion to delegate to the Board of Directors the power to issue, on one or more occasions, within a maximum term of five years following 10 May 2020, securities convertible into and/or exchangeable for shares of the Company, and warrants or other similar securities that may directly or indirectly provide the right to the subscription or acquisition of the shares, for a total amount of up to EUR 3,000 million; and the power to increase the share capital 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, as indicated in Note 15.01.

#### 21.04. Credit risk

This risk relates mainly to the non-payment of trade receivables. The objective of credit risk management is to reduce the impact of credit risk exposure as far as possible by means of the preventive assessment of the solvency rating of the Group's potential customers. When contracts are being performed, the credit quality of the outstanding amounts receivable is periodically evaluated and the estimated recoverable amounts of doubtful receivables are adjusted and written down with a charge to profit and loss for the year. The credit risk has historically been very limited.

Additionally, the ACS Group is exposed to the risk of breach by its counterparties in transactions involving financial derivatives and cash placement. The Corporate management of the ACS Group establishes counterparty selection criteria based on the credit quality of the financial institutions, which translates into a portfolio of entities of high quality and solvency.

The status of customers that are past due but not impaired as at 31 December 2021 and 2020 is detailed below:

|   | Thousands of Euros |                        |               |                |
|---|--------------------|------------------------|---------------|----------------|
|   | 31/12/2021         |                        |               |                |
|   | < 30 days          | between 30 and 90 days | > 90 days     | Total          |
| <b>Public Sector</b>                              | <b>11,139</b>      | <b>5,705</b>           | <b>7,444</b>  | <b>24,288</b>  |
| State   | 248                | 58                     | (15)          | 291            |
| Autonomous Communities                            | 3,652              | 2,661                  | 3,726         | 10,039         |
| Municipalities                                    | 5,752              | 2,805                  | 3,837         | 12,394         |
| Autonomous organizations and Government Companies | 1,487              | 181                    | (104)         | 1,564          |
| <b>Private Sector</b>                             | <b>27,541</b>      | <b>1,156</b>           | <b>69,712</b> | <b>98,409</b>  |
| <b>Total</b>                                      | <b>38,680</b>      | <b>6,861</b>           | <b>77,156</b> | <b>122,697</b> |

|   | Thousands of Euros |                        |                |                |
|---|--------------------|------------------------|----------------|----------------|
|   | 31/12/2020         |                        |                |                |
|   | < 30 days          | between 30 and 90 days | > 90 days      | Total          |
| <b>Public Sector</b>                              | <b>32,347</b>      | <b>32,369</b>          | <b>479,224</b> | <b>543,940</b> |
| State   | 9,588              | 6,737                  | 44,410         | 60,735         |
| Autonomous Communities                            | 6,444              | 1,935                  | 2,985          | 11,364         |
| Municipalities                                    | 12,281             | 5,850                  | 13,381         | 31,512         |
| Autonomous organizations and Government Companies | 4,034              | 17,847                 | 418,448        | 440,329        |
| <b>Private Sector</b>                             | <b>98,988</b>      | <b>18,871</b>          | <b>63,380</b>  | <b>181,239</b> |
| <b>Total</b>                                      | <b>131,335</b>     | <b>51,240</b>          | <b>542,604</b> | <b>725,179</b> |

The Directors consider that the foregoing past-due balances, particularly those related to public bodies over which there are rights to demand payment for interest, would not entail significant losses for the Group considered on an individual basis.

### 21.05. Exposure to publicly traded share price risk

The ACS Group is exposed to risks relating to the performance of the share price of listed companies.

In 2021, the exposure in derivative agreements related to remuneration systems and in forward contracts settled by differences tied to the performance of the ACS, Actividades de Construcción y Servicios, S.A. share price (see Note 22) is noteworthy. Equity swaps eliminate the uncertainty regarding the exercise price of the remuneration systems, however, since the derivatives do not qualify for hedge accounting, their market value has an effect on the consolidated income statement (positive in the case of an increase in share price up to the strike value offered to the beneficiaries and negative if this is not the case).

Changes in the price of the shares of listed companies, with regard to which the ACS Group has derivative instruments, financial investments, etc., will have an impact on its consolidated income statement.

### 21.06. Capital management

The ACS Group's objectives in relation to capital management are to maintain an optimum financial and equity structure to reduce the cost of capital and at the same time to safeguard the Group's ability to continue to operate with sufficiently sound debt/equity ratios.

The capital structure is controlled mainly through the debt/equity ratio, calculated as net financial debt divided by equity. Net financial debt is taken to be:

- + Net debt with recourse:
  - + Non-current bank borrowings
  - + Current bank borrowings
  - + Issue of bonds and debentures
  - Cash and other current financial assets
- + Debt from project finance and debt with limited recourse.

The Group's directors consider that the gearing ratio at 31 December 2021 and 2020 was adequate, the detail being as follows:

|   | Thousands of Euros |                  |
|---|--------------------|------------------|
|   | 31/12/2021         | 31/12/2020       |
| <b>Net recourse debt / (cash)</b>                           | <b>(2,078,181)</b> | <b>1,730,330</b> |
| Non-current bank borrowings (Note 17.02)                    | 4,473,737          | 5,042,709        |
| Current bank borrowings (Note 17.02)                        | 1,110,389          | 1,837,564        |
| Issue of bonds and debentures (Note 17.01)                  | 4,737,333          | 4,080,626        |
| Other financial liabilities (Note 19)                       | 134,844            | 205,504          |
| Long term deposits, other current financial assets and cash | (12,534,484)       | (9,436,073)      |
| <b>Project financing (Note 18)</b>                          | <b>69,541</b>      | <b>89,441</b>    |
| <b>Net financial debt</b>                                   | <b>(2,008,640)</b> | <b>1,819,771</b> |
| <b>Equity (Note 15)</b>                                     | <b>7,028,203</b>   | <b>4,275,907</b> |

### 21.07. Estimate of fair value

The detail at 31 December 2021 and 2020 of the ACS Group's assets and liabilities measured at fair value, based on the hierarchy levels mentioned in Note 03.08.06, is as follows:

|                                  | Thousands of Euros  |                |                |                |
|----------------------------------|---------------------|----------------|----------------|----------------|
|                                  | Value at 31/12/2021 | Level 1        | Level 2        | Level 3        |
| <b>Assets</b>                    | <b>1,209,898</b>    | <b>575,259</b> | <b>335,844</b> | <b>298,795</b> |
| Equity instruments               | 265,904             | 180,441        | 10,104         | 75,359         |
| Loans to third parties           | 223,436             | —              | —              | 223,436        |
| Debt securities                  | 508,106             | 394,754        | 113,352        | —              |
| Derivative financial instruments |                     |                |                |                |
| Non-current                      | 11,577              | 7              | 11,570         | —              |
| Current                          | 200,875             | 57             | 200,818        | —              |
| <b>Liabilities</b>               | <b>205,841</b>      | <b>526</b>     | <b>196,990</b> | <b>8,325</b>   |
| Derivative financial instruments |                     |                |                |                |
| Non-current                      | 33,050              | 292            | 24,433         | 8,325          |
| Current                          | 172,791             | 234            | 172,557        | —              |

|                                  | Thousands of Euros  |                |                |               |
|----------------------------------|---------------------|----------------|----------------|---------------|
|                                  | Value at 31/12/2020 | Level 1        | Level 2        | Level 3       |
| <b>Assets</b>                    | <b>1,225,185</b>    | <b>473,780</b> | <b>681,386</b> | <b>70,019</b> |
| Equity instruments               | 207,782             | 128,220        | 9,543          | 70,019        |
| Debt securities                  | 748,240             | 345,486        | 402,754        | —             |
| Derivative financial instruments |                     |                |                |               |
| Non-current                      | 17,847              | 3              | 17,844         | —             |
| Current                          | 251,316             | 71             | 251,245        | —             |
| <b>Liabilities</b>               | <b>205,251</b>      | <b>55</b>      | <b>197,018</b> | <b>8,178</b>  |
| Derivative financial instruments |                     |                |                |               |
| Non-current                      | 49,791              | 13             | 41,600         | 8,178         |
| Current                          | 155,460             | 42             | 155,418        | —             |

Level 2 of the Fair Value Measurement Hierarchy includes all the ACS Group's financial derivatives and other financial assets and liabilities that are not listed on organised markets. They are measured internally on a quarterly basis, using standard valuation techniques used in financial markets, compared against valuations received from counterparties when necessary.

In this connection, based on the nature of the derivative, the use of the following methodologies is noteworthy:

- Interest rate hedges are measured using the zero-coupon rate curve, determined based on the deposits and rates traded on the market at the reporting date to obtain discount factors and applying it to the schedule of future flows from collections and payments.
- Derivatives where the underlying asset is quoted on an organised market and that are not qualified as hedges are measured using the Black-Scholes methodology and applying market parameters such as implicit volatility, repo costs, market interest rates and estimated dividends.
- For those derivatives where the underlying asset is quoted on an organised market, but the Group intends to hold them to maturity, either because the derivative forms part of a financing agreement

or because its arrangement substitutes the underlying asset, the measurement is based on the calculation of its intrinsic value at the reporting date.

As regards the assets included under Debt securities in level 2, it should be pointed out that these assets relate mainly to liquidity surpluses allocated to the formalisation of fixed income securities maturing in more than three months from the date of acquisition, which are highly liquid and high-rotation assets. These amounts are mainly recognised in the Dragados division, amounting to EUR 89,095 thousand (EUR 53,801 thousand at 31 December 2020), and the Hochtief division, amounting to EUR 24,257 thousand (EUR 19,159 thousand at 31 December 2020).

The equity instruments classified under level 3, the fair value of which amounts to EUR 75,359 thousand (EUR 70,019 thousand at 31 December 2020), relate to unlisted financial assets through other comprehensive income. The assets are held by various non-controlling interests in concession assets outside Spain (mainly those from Hochtief that were measured on an individual basis using the discounted cash flow method at year-end market interest rates) with amounts ranging from EUR 51,487 thousand to EUR 17 thousand (EUR 36,200 thousand to EUR 17 thousand at 31 December 2020) and many of these interests were accounted for at historical cost.

Lastly, the loans to third parties classified under level 3 relate to the earn-out from the sale of most of the Industrial Services Division (see Note 0.09.02).

The changes in financial instruments included under Level 3 in 2021 are as follows:

|   | Thousands of Euros |           |                       |                  |         |                |
|---|--------------------|-----------|-----------------------|------------------|---------|----------------|
|   | 31/12/2020         | Additions | Valuation adjustments | Transfer Level 2 | Others  | 31/12/2021     |
| <b>Assets - Equity instruments and derivative financial instruments</b> | <b>70,019</b>      | 223,436   | 15,287                | —                | (9,947) | <b>298,795</b> |
| <b>Liabilities - Derivative financial instruments</b>                   | <b>8,178</b>       | —         | 147                   | —                | —       | <b>8,325</b>   |

The changes in financial instruments included under Level 3 in 2020 were as follows:

|   | Thousands of Euros |                       |                  |         |               |
|---|--------------------|-----------------------|------------------|---------|---------------|
|   | 01/01/2020         | Valuation adjustments | Transfer Level 2 | Others  | 31/12/2020    |
| <b>Assets - Equity instruments and derivative financial instruments</b> | <b>106,296</b>     | (34,274)              | —                | (2,003) | <b>70,019</b> |
| <b>Liabilities - Derivative financial instruments</b>                   | —                  | 8,178                 | —                | —       | <b>8,178</b>  |

No derivative instruments measured at fair value through profit or loss were transferred between levels 1 and 2 of the fair value hierarchy in 2021 or in 2020.

The Group has not detailed the fair value of certain financial instruments, such as "Trade receivables for sales and services" and "Trade payables", as their carrying amount approximates their fair value.

### **21.08. Climate change risk. Risk management and opportunities related to climate change**

In order to respond to the need for comprehensive and uniform risk management, ACS has established a model that includes the identification, assessment, classification, measurement, management and follow-up of risks throughout the Group and its operating divisions. These identified risks are used to create a risk map that is regularly updated based on the different variables that comprise it and on the Group's areas of activity. In line with its commitment to ongoing improvement, the ACS Group has continued working to identify and assess the specific risks related to climate change, applying a well-tested methodology.

Various scenarios have therefore been assessed by categorising two types of risks:

- a. Physical risks: the risks that emerge from the physical effects of climate change and environmental degradation.
- b. Transition risks: the risks arising from social and economic changes that mark the shift towards a low-carbon and more climate-friendly future.

The results obtained make it possible to identify the risks that may have a significant impact on the ACS Group, classified based on the probability of occurrence over the time horizon (short, medium and long term) and the related impact. Significant risks are considered to be those assessed with a medium or high level of probability in any of the time horizons considered in the scope of this analysis. It is important to note that, in accordance with the risk management methodology, the priority aspects from a Group management perspective are taken into consideration and, therefore, should not be understood as a list of weaknesses or threats that are not adequately covered.

| Short term (2025)   | Medium term (2030)   | Long term (2045)  |
|---|--|---|
| <ul style="list-style-type: none"> <li>• Increase in reporting obligations on performance in climate change</li> <li>• Increase on raw material cost</li> </ul> | <ul style="list-style-type: none"> <li>• Increase in the price of Greenhouse Gas Emissions</li> <li>• Regulation of project and service specifications</li> <li>• Transition costs to low-emission technology</li> <li>• Increase in financing cost</li> <li>• Increase in severity and frequency of weather events</li> </ul> | <ul style="list-style-type: none"> <li>• Exposure to litigation and sanctions related to noncompliance with regulations on climate change</li> <li>• Changes in stakeholder expectations or preferences</li> <li>• Changes in rainfall and wind patterns</li> <li>• Increase in average temperatures, thermal stress</li> </ul> |

The ACS Group bases the Risk Control System on a range of strategic and operational actions to mitigate these risks and fulfil the objectives set by the Board of Directors. Therefore, as regards the risks related to climate change, the main risk management and mitigation measures are determined by the commitments and basic guiding principles defined in the Group's Environmental Policy and in the strategic lines and objectives set out in the ACS Group's 2025 Sustainability Master Plan.

The ACS Group's leadership position in the infrastructure sector, and the actions carried out by the various ACS Group companies in the fight against climate change, means that the Group is also well positioned with a competitive edge to take advantage of the opportunities arising from climate change mitigation and adaptation activities. In 2021, the projects managed by Hochtief and its subsidiaries in Green Building and Green Infrastructure stood at approximately EUR 9,700 million in 2021 (compared to EUR 8,300 million in 2020), and sales of sustainably certified projects by the Dragados Group amounted to EUR 988 million.

Similarly, the data obtained by the ACS Group in an initial EU taxonomy analysis show that activities are carried out in key sectors identified by the European Commission as contributing to the transition towards a low-carbon economy and society.

| %ACS Group's Taxonomically eligible activities | 2021  |
|--|-------|
| % Taxonomically eligible Turnover              | 86,3% |
| % Taxonomically eligible Capex                 | 82,8% |
| % Taxonomically eligible Opex                  | 77,8% |

For further information, see section 5.1.1 Fight against Climate Change, and section 5.11 European Union Taxonomy in the Non-Financial Information Statement in the Consolidated Directors' Report.

In preparing the Consolidated Annual Accounts at 31 December 2021, the ACS Group considered the impact of climate change on the main assumptions of its accounting estimates and judgements, and did not identify any indications of impairment on its property, plant and equipment or intangible assets, changes in the measurement of financial instruments, or additional obligations to those already recognised.

## 22. Derivative financial instruments

The ACS Group's different lines of business expose it to financing risks, mainly foreign currency and interest rate risks. In order to minimise the impact of these risks and in accordance with its risk management policy (see Note 21), the ACS Group has arranged various financial derivatives, most of which have non-current maturities.

The detail, by maturity, of the notional amounts of the above hedging instruments at 31 December 2021 and 2020, based on the nature of the contracts, is as follows:

| 2021                 | Thousands of Euros |                |                  |               |                |               |                  |                |
|----------------------|--------------------|----------------|------------------|---------------|----------------|---------------|------------------|----------------|
|                      | Notional value     | 2022           | 2023             | 2024          | 2025           | 2026          | Subsequent years | Net fair value |
| Interest rate        | 802,966            | —              | 746,104          | —             | —              | 56,862        | —                | (18,918)       |
| Exchange rate        | 1,266,136          | 5,129          | 233,613          | —             | 253,654        | —             | 773,740          | 4,836          |
| Price                | —                  | —              | —                | —             | —              | —             | —                | —              |
| Non-qualified hedges | 1,019,906          | 332,423        | 612,851          | 66,307        | —              | —             | 8,325            | 20,693         |
| <b>Total</b>         | <b>3,089,008</b>   | <b>337,552</b> | <b>1,592,568</b> | <b>66,307</b> | <b>253,654</b> | <b>56,862</b> | <b>782,065</b>   | <b>6,611</b>   |

| 2020                 | Thousands of Euros |                |                  |                  |          |                |                  |                |
|----------------------|--------------------|----------------|------------------|------------------|----------|----------------|------------------|----------------|
|                      | Notional value     | 2021           | 2022             | 2023             | 2024     | 2025           | Subsequent years | Net fair value |
| Interest rate        | 1,768,742          | 950,000        | —                | 754,566          | —        | —              | 64,176           | (37,942)       |
| Exchange rate        | 872,058            | 7,473          | 642,474          | 1,851            | —        | 217,067        | 3,193            | (12,337)       |
| Price                | 4,620              | 4              | —                | —                | —        | —              | 4,616            | (21)           |
| Non-qualified hedges | 1,138,810          | —              | 483,284          | 502,397          | —        | —              | 153,129          | 114,212        |
| <b>Total</b>         | <b>3,784,230</b>   | <b>957,477</b> | <b>1,125,758</b> | <b>1,258,814</b> | <b>—</b> | <b>217,067</b> | <b>225,114</b>   | <b>63,912</b>  |

The notional amount for non-current assets and liabilities held for sale relating to renewable energy and concession activities at 31 December 2021 was as follows:

|               | Thousands of Euros |        |      |         |      |        |                  |
|---------------|--------------------|--------|------|---------|------|--------|------------------|
|               | Notional value     | 2022   | 2023 | 2024    | 2025 | 2026   | Subsequent years |
| Interest rate | 391,608            | 17,281 | —    | 152,899 | —    | 20,125 | 201,303          |

The notional amount for non-current assets and liabilities held for sale relating to renewable energy and concession activities at 31 December 2020 was as follows:

|               | Thousands of Euros |      |      |      |         |      |                  |
|---------------|--------------------|------|------|------|---------|------|------------------|
|               | Notional value     | 2021 | 2022 | 2023 | 2024    | 2025 | Subsequent years |
| Interest rate | 348,485            | 315  | —    | —    | 167,540 | —    | 180,630          |

The following table shows the fair value of the hedging instruments at 31 December 2021 and 2020, based on the nature of the contracts:

|                      | Thousands of Euros |                |                |                |
|----------------------|--------------------|----------------|----------------|----------------|
|                      | 31/12/2021         |                | 31/12/2020     |                |
|                      | Assets             | Liabilities    | Assets         | Liabilities    |
| Interest rate        | 1                  | 18,919         | —              | 37,942         |
| Exchange rate        | 11,943             | 7,107          | 20,569         | 32,906         |
| Price                | —                  | —              | —              | 21             |
| Non-qualified hedges | 200,508            | 179,815        | 248,594        | 134,382        |
| <b>Total</b>         | <b>212,452</b>     | <b>205,841</b> | <b>269,163</b> | <b>205,251</b> |

The Group does not have any hedges of its foreign investments, since the foreign currency risk is hedged by the transactions performed in the local currency. Additionally, most significant foreign investments were made with long-term financing in which the interest rates on project financing debt are hedged.

### Cash flow hedges (interest rate)

The purpose of using these derivatives is to limit changes in interest rates on its borrowings and to guarantee fixed interests rates, mainly by arranging interest rate swaps as the borrowings are arranged and used.

Most hedges are interest rate swaps that expire at the same time or slightly sooner than the underlying that they are hedging.

Hedges of this type are mainly related to the various loans within the Group and to project and other non-current financing, both at 31 December 2021 and 31 December 2020 (see Notes 17 and 18).

In relation to its long-term loans, ACS, Actividades de Construcción y Servicios, S.A. has arranged hedges in the amount of EUR 725,000 thousand. As at 31 December 2020, hedges amounting to EUR 1,675,000 thousand were also arranged on the syndicated loan and other long-term loans of ACS, Actividades de Construcción y Servicios, S.A. Various interest rate swaps have been arranged for the same amounts as the underlying loans and the same maturity dates. In addition, long-term loans with fixed rates amounting to EUR 130,000 thousand have been taken out. In January 2022 new hedges were taken out for the syndicated loan amounting to EUR 940,000 thousand maturing in September 2026.

### Cash flow hedges (exchange rate)

Foreign currency risk relates mainly to projects in which payments and/or collections are made in a currency other than the functional currency.

In 2018, new hedging transactions carried out to mitigate exchange rate risks in projects in North America where payments will have to be made in a currency other than that corresponding to the collections and maturing in 2025.

Also of note, due to their importance, are the derivatives contracted from Hochtief for a notional amount of EUR 1,007,353 thousand, which primarily mature after 2026 (EUR 623,282 thousand in 2020, maturing mainly in 2022).

### Derivative instruments not classified as hedges

The assets and liabilities relating to derivative financial instruments not qualified as hedges include the fair value of the derivatives that do not meet hedging conditions.

In the second half of 2018, a new ACS share option plan was established that, like the previous ones, is outsourced to two financial institutions. The financial institution holds these shares to be delivered to executives who are beneficiaries of the plan in accordance with the conditions included in the plan and at the exercise price of the option (EUR 37.17 per share). These derivatives do not meet the accounting requirements to qualify for hedge accounting, therefore their measurement is recorded by means of changes in the consolidated income statement. The change in fair value of these instruments is included under "Changes in the fair value of financial instruments" in the accompanying consolidated income statement (see Note 28.04). Pursuant to the contracts with the financial institutions, the latter do not assume any risk arising from the drop in the share price below the exercise price. The negative fair value of the derivatives related to ACS shares amounted to EUR 170,954 thousand at 31 December 2021 (negative EUR 125,813 thousand at 31 December 2020), recognised under "Current derivative financial instruments" on the liability side of the accompanying consolidated statement of financial position.

ACS, Actividades de Construcción y Servicios, S.A. has had the following derivative since 1 November 2020, that was renewed in 2021, with the following current conditions: a forward derivative contract, settled by differences, on its own shares with a financial institution for a maximum total of 12,000,000 shares with a strike price of EUR 10.91 per share, adjustable on the basis of future dividends and 104 maturities between 10 October 2022 and 3 March 2023 at a rate of 115,385 shares per session.

Since 21 December 2020, ACS, Actividades de Construcción y Servicios, S.A. has had a forward contract on ACS shares, settled by differences, for a total of 11,970,088 treasury shares, at the date of authorisation for issue of these Annual Accounts, to be settled exclusively in cash by differences between 7 March 2023 and 2 August 2023, which was renewed subsequent to 2021 year-end, for a forward contract on 11,970,088 treasury shares, to be settled exclusively in cash by differences, to be settled between 7 March 2023 and 2 August 2023 at a rate of 115,095 shares per session.

The positive fair value of the forward contracts (settled by differences) related to ACS shares amounted to EUR 198,842 thousand at 31 December 2021 (EUR 247,163 thousand at 31 December 2020), recognised under "Current derivative financial instruments" on the asset side of the accompanying consolidated statement of financial position. The effect on the income statement has resulted in a loss of EUR 48,321 thousand recognised under "Changes in the fair value of financial instruments" in the accompanying consolidated income statement.

The amounts provided as security (see Note 10.05) relating to the above derivatives arranged by the Group amounted to EUR 194,095 thousand at 31 December 2021 (EUR 118,565 at 31 December 2020).

As part of the divestment of Thiess, the transaction agreement includes a put option for Elliott to sell all or part of its 50% interest in Thiess to Cimic after the third year, i.e., four to six years after the sale on 31 December 2020. The exercise price will be the lower of the cost price or a price tied to changes in the S&P / ASX 200 Total Return Index plus the cumulative value of any shortfall in the minimum agreed distributions. This option has no current impact on the control of the company.

The put option is accounted for as a derivative financial instrument in accordance with IFRS 9 and is therefore recognised at fair value through profit or loss in the ACS Group's consolidated annual accounts. External independent advisors have been used to determine the fair value of the put option.

The fair value of the put option cannot be assessed using the market price. A probability-weighted expected return methodology is used to obtain the value of the income from the put option based on future potential payments if the option is exercised, adjusted for minimum annual distributions as per the shareholders' agreement, and compared to the estimated exercise price to determine a fair value. At 31 December 2021, the fair value of the put option was determined to be AUD 13 million, equivalent to EUR 8.3 million (AUD 13 million, equivalent to EUR 8.2 million at 31 December 2020).

The Group has recognised both its own credit risk and that of the counterparty based on each derivative for all derivative instruments measured at fair value through profit or loss, in accordance with IFRS 13.



## 23. Trade and other payables

This heading mainly includes the amounts outstanding for trade purchases and related costs, and customer advances for contract work amounting to EUR 2,291,777 thousand in 2021 (EUR 2,403,251 thousand in 2020) (see Note 12) and the amount of the work billed in advance totalling EUR 555,220 thousand in 2021 (EUR 880,104 thousand in 2020).

The Group has entered into reverse factoring arrangements and supply chain financing agreements (as they are called in other countries) with various financial institutions in order to facility, at their discretion, early payment to its suppliers, under which suppliers may exercise their collection rights against the Group companies or entities, obtaining the amount invoiced less the finance costs of discounting and the fees charged by those financial institutions. The amount drawn down against the reverse factoring arrangements and supply chain financing agreements totalled EUR 565,860 thousand at 31 December 2021 (EUR 914,563 thousand at 31 December 2020, including, for comparison purposes, the supply chain financing amounts). These arrangements do not change the main terms and conditions of payment to suppliers and, therefore, they continue to be classified as trade payables.

### Disclosures on the period of payment to suppliers. Final Provision Two of Law 31/2014, of 3 December

The following is a summary of the disclosures required by Final Provision Two of Law 31/2014, of 3 December, which was prepared in accordance with Spanish Accounting and Audit Institute Resolution of 29 January 2016, on the disclosures to be included in the annual accounts in relation to the average period of payment to suppliers in commercial transactions in Spain:

|  | 2021               | 2020      |
|--|--------------------|-----------|
|  | Days               |           |
| Average period of payment to suppliers | 58                 | 60        |
| Ratio of transactions paid             | 50                 | 57        |
| Ratio of transactions pending payment  | 78                 | 67        |
|  | Thousands of Euros |           |
| Total payments made                    | 1,373,688          | 2,836,313 |
| Total payments pending                 | 526,606            | 1,372,500 |

The figures shown in the above table in relation to payments to suppliers relate to suppliers that, because of their nature, are trade creditors for the supply of goods and services and, therefore, they include the figures relating to "Trade and other payables - Suppliers" under current liabilities in the accompanying consolidated statement of financial position.

"Average period of payment to suppliers" is taken to be the period that elapses from the delivery of the goods or the provision of the services by the supplier to the effective payment of the transaction. This "Average period of payment to suppliers" is calculated as the quotient where the numerator is the sum of the ratio of transactions paid multiplied by the total amount of payments made plus the ratio of transactions not yet paid multiplied by the total amount of payments outstanding, and where the denominator is the total amount of payments made and payments outstanding.

The ratio of transactions paid is calculated as the quotient where the numerator is the sum of the products of multiplying the amounts paid by the number of days until payment, and where the denominator is the total amount of payments made. Number of days until payment is understood to mean the number of calendar days that have elapsed from the date on which calculation of the period began until the effective payment of the transaction.

Likewise, the ratio of transactions not yet paid corresponds to the quotient where the numerator is the sum of the products of multiplying the amounts payable by the number of days of outstanding payment, and where the denominator is the total amount of payments outstanding. Number of days of outstanding

payment is understood to mean the number of calendar days that have elapsed from the date on which calculation of the period began until the last day of the period of the annual accounts.

The Group will use the date of receipt of the products or provision of the services to be calculating the period for both the number of days until payment and the number of days of outstanding payment. In the absence of reliable information as to when this circumstance occurs, the Company will use the date of receipt of the invoice.

## 24. Other current liabilities

The detail of this heading at 31 December 2021 and 2020 is as follows:

|  | Thousands of Euros |                |
|--|--------------------|----------------|
|  | 31/12/2021         | 31/12/2020     |
| Advance payments received              | 42,515             | 40,744         |
| Payable to non-current asset suppliers | 5,289              | 10,513         |
| Deposits and guarantees received       | 2,146              | 2,396          |
| Other                                  | 216,750            | 173,235        |
| <b>Total</b>                           | <b>266,700</b>     | <b>226,888</b> |

Items such as the amounts relating to the current accounts with unincorporated joint ventures and other third parties with a credit balance are included under "Other."

## 25. Segments

### 25.01. Basis of segmentation

The structure of the ACS Group reflects its focus on different lines of business or activity areas. Segment reporting based on the different lines of business includes information regarding the Group's internal organisation, taking into account the bodies involved in monitoring operations and taking decisions.

#### 25.01.01. Primary segments - business segments

In accordance with the ACS Group's internal organisational structure and, consequently, its internal reporting structure, the Group carries on its business activities through lines of business, which are the operating reporting segments as indicated in IFRS 8.

The main areas of the Group in 2021 are divided into:

#### a) Infrastructure

The Infrastructure segment includes Construction activities (through Dragados and Hochtief — including Cimic) and Concession activities (through Iridium and the Group's interest in Abertis), and is aimed at carrying out all types of civil construction and building projects, and the development and operation of infrastructure concessions, such as transportation, etc. The geographical regions with the greatest exposure in this area are North America, Asia Pacific and Europe, mainly operating in developed markets that are safe from a geopolitical, macroeconomic and legal perspective..

The Group presents both Construction and Concession activities within the Infrastructure segment, mainly due to the fact that the activities of these sub-segments are directly related to one another, in other words, they correspond to business lines whose activities are complementary. The integration of both activities, i.e., construction and concessions, gives the ACS Group a comprehensive offer of

solutions in the infrastructure area that allows the Group to strengthen its offer in the target markets. The integration of directly interrelated activities under the same management or the conceptual title of "segment manager", as defined in paragraph 9 of IFRS 8, brings important synergies for the Group, such as optimisation of the international business support structure. As a consequence of the above, this functional decentralisation allows a common management or segment manager to report directly to the highest operating decision-making authority and to remain in constant contact with that authority, in order to discuss operating activities, financial results, forecasts or plans for the segment in question. In this context, the Group presents the information corresponding to these integrated activities under the title "Infrastructure", in line with the Group's strategy as a comprehensive provider of infrastructure services, whose financial and management information is assessed jointly and periodically by senior executives under a single management structure.

The infrastructure segment is a component differentiated from the company's other components, in that it has differentiated financial information and has management or "segment manager" that reports directly to the highest operating decision-making authority, with which they remain in constant contact.

Based on the above, the Group considers it reasonable and justified to present the construction and concession activities jointly, and aims to be a leading and comprehensive provider worldwide in the infrastructure sector.

### b) Industrial Services

The area was dedicated to applied industrial engineering, developing activities of construction, operation and maintenance of energy, industrial and mobility infrastructures through an extensive group of companies headed by Grupo Cobra and Dragados Industrial. This area had a presence in more than 50 countries, with a predominant exposure to the Mexican and Spanish market despite the rapid growth in new Asian and Latin American countries. In 2021, most of this business area was sold to the Vinci Group and was therefore classified during the year as a discontinued operation (see Note 03.09.02).

### c) Services

This area only includes Clece's business activity, which offers comprehensive maintenance services for buildings, public places and organisations, and assistance to people. This area is fundamentally based in Spain but also shows incipient growth in the European market. Although this segment does not meet the quantitative thresholds established in IFRS 8, the Group considers that it should be reported as a differentiated segment since the nature of the goods and services it provides is wholly differentiated and identifiable, it reports independently to the Group, and this presentation is considered to be more useful to the users of the financial statements.

The detail of the assets and liabilities by segment at 31 December 2021 and 2020 is as follows:

|                                | Thousands of Euros |                   |                   |                   |
|--------------------------------|--------------------|-------------------|-------------------|-------------------|
|                                | Assets             |                   | Liabilities       |                   |
|                                | 31/12/2021         | 31/12/2020        | 31/12/2021        | 31/12/2020        |
| Infrastructure                 | 25,372,976         | 26,135,396        | 20,258,279        | 21,133,150        |
| Industrial Services            | 8,825,648          | 8,987,261         | 8,130,812         | 7,862,573         |
| Services                       | 1,559,489          | 1,434,431         | 764,412           | 658,969           |
| Corporate unit and adjustments | -93,768            | 776,632           | -517,361          | 3,403,121         |
| <b>Total</b>                   | <b>35,664,345</b>  | <b>37,333,720</b> | <b>28,636,142</b> | <b>33,057,813</b> |

#### 25.01.02 Geographical segments

The ACS Group is managed by business segments and the management based on geographical segments is irrelevant. Accordingly, a distinction is made between Spain and the rest of the world, in accordance with IFRS 8.

### **25.02. Basis and methodology for business segment reporting**

The reporting structure is designed in accordance with the effective management of the various segments comprising the ACS Group. Each division has its own resources based on the entities engaging in the related business and, accordingly, has the assets required to operate the business.

Each of the business segments relates mainly to a legal structure, in which the companies report to a holding company representing each activity for business purposes. Accordingly, each legal entity has the assets and resources required to carry on its business activities in an autonomous manner.

The segment information on these business activities prior to the allocation of expenses to subsidiaries in the income statement is presented below.

## 25.02.01. Income statement by business segment: 2021

|  | Thousands of Euros |                  |                     |                                |                   |
|--|--------------------|------------------|---------------------|--------------------------------|-------------------|
|  | Infrastructure     | Services         | Industrial Services | Corporate unit and adjustments | Total Group       |
| <b>REVENUE</b>   | <b>25,972,167</b>  | <b>1,642,527</b> | <b>230,168</b>      | <b>(8,204)</b>                 | <b>27,836,658</b> |
| Operating expenses net   | (25,050,688)       | (1,556,465)      | (156,118)           | (50,774)                       | (26,814,045)      |
| Depreciation and amortisation  | (436,971)          | (41,117)         | (888)               | (470)                          | (479,446)         |
| Impairment and gains or losses on the disposal of non-current assets                 | 247,845            | 28,043           | 4,923               | (480,453)                      | (199,642)         |
| Other results  | (244,906)          | (1,393)          | (463)               | (28)                           | (246,790)         |
| Ordinary results of companies accounted for using the equity method                  | 255,074            | —                | 17,671              | —                              | 272,745           |
| Financial results  | (143,184)          | (6,578)          | (51,313)            | (34,029)                       | (235,104)         |
| Changes in the fair value of financial instruments                                   | 1,644              | —                | —                   | (93,465)                       | (91,821)          |
| Impairment and gain or losses on the disposal of financial instruments               | 14,270             | (3)              | —                   | —                              | 14,267            |
| Non-ordinary results of companies accounted for using the equity method              | 680                | —                | —                   | —                              | 680               |
| <b>PROFIT / (LOSS) BEFORE TAX</b>  | <b>615,931</b>     | <b>65,014</b>    | <b>43,980</b>       | <b>(667,423)</b>               | <b>57,502</b>     |
| Income tax   | (105,728)          | (7,020)          | (96,788)            | (579,836)                      | (789,372)         |
| <b>PROFIT / (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS</b>                       | <b>510,203</b>     | <b>57,994</b>    | <b>(52,808)</b>     | <b>(1,247,259)</b>             | <b>(731,870)</b>  |
| Profit after tax from discontinued operations  | (4,479)            | —                | 445,992             | 3,516,591                      | 3,958,104         |
| <b>PROFIT / (LOSS) FOR THE PERIOD</b>  | <b>505,724</b>     | <b>57,994</b>    | <b>393,184</b>      | <b>2,269,332</b>               | <b>3,226,234</b>  |
| Profit / (Loss) attributed to non-controlling interests                              | (166,882)          | (621)            | (2,883)             | 905                            | (169,481)         |
| Profit / (loss) from discontinued operations attributed to non-controlling interests | —                  | —                | (11,340)            | —                              | (11,340)          |
| <b>PROFIT / (LOSS) ATTRIBUTABLE TO THE PARENT</b>                                    | <b>338,842</b>     | <b>57,373</b>    | <b>378,961</b>      | <b>2,270,237</b>               | <b>3,045,413</b>  |

## Income statement by business segment: 2020

|  | Thousands of Euros ( * ) |                  |                     |                                |                   |
|--|--------------------------|------------------|---------------------|--------------------------------|-------------------|
|  | Infrastructure           | Services         | Industrial Services | Corporate unit and adjustments | Total Group       |
| <b>REVENUE</b>   | <b>27,608,116</b>        | <b>1,554,649</b> | <b>148,505</b>      | <b>(6,573)</b>                 | <b>29,304,697</b> |
| Operating expenses net   | (27,057,301)             | (1,494,363)      | (75,875)            | (54,608)                       | (28,682,147)      |
| Depreciation and amortisation  | (834,648)                | (39,321)         | (1,560)             | (789)                          | (876,318)         |
| Impairment and gains or losses on the disposal of non-current assets                 | 1,154,650                | (87)             | (77,495)            | 2                              | 1,077,070         |
| Other results  | (3,065)                  | 1,175            | 7,311               | (3,500)                        | 1,921             |
| Ordinary results of companies accounted for using the equity method                  | 98,818                   | —                | 56,480              | —                              | 155,298           |
| Financial results  | (226,823)                | (4,089)          | (29,123)            | (15,821)                       | (275,856)         |
| Changes in the fair value of financial instruments                                   | (4,514)                  | —                | —                   | 82,149                         | 77,635            |
| Impairment and gain or losses on the disposal of financial instruments               | 7,414                    | —                | 1,097               | 102,900                        | 111,411           |
| Non-ordinary results of companies accounted for using the equity method              | 10,712                   | —                | —                   | —                              | 10,712            |
| <b>PROFIT / (LOSS) BEFORE TAX</b>  | <b>753,359</b>           | <b>17,964</b>    | <b>29,340</b>       | <b>103,760</b>                 | <b>904,423</b>    |
| Income tax   | (333,132)                | (1,622)          | 38,538              | 41,095                         | (255,121)         |
| <b>PROFIT / (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS</b>                       | <b>420,227</b>           | <b>16,342</b>    | <b>67,878</b>       | <b>144,855</b>                 | <b>649,302</b>    |
| Profit after tax from discontinued operations  | 32,440                   | —                | 246,748             | —                              | 279,188           |
| <b>PROFIT / (LOSS) FOR THE PERIOD</b>  | <b>452,667</b>           | <b>16,342</b>    | <b>314,626</b>      | <b>144,855</b>                 | <b>928,490</b>    |
| Profit / (Loss) attributed to non-controlling interests                              | (320,500)                | 1,304            | (259)               | —                              | (319,455)         |
| Profit / (loss) from discontinued operations attributed to non-controlling interests | (32,440)                 | —                | (2,590)             | —                              | (35,030)          |
| <b>PROFIT / (LOSS) ATTRIBUTABLE TO THE PARENT</b>                                    | <b>99,727</b>            | <b>17,646</b>    | <b>311,777</b>      | <b>144,855</b>                 | <b>574,005</b>    |

( \* ) Restated.

## Statement of financial position by business segment: 2021

| ASSET   | Thousands of Euros |                  |                     |                                |                   |
|---|--------------------|------------------|---------------------|--------------------------------|-------------------|
|   | Infrastructure     | Services         | Industrial Services | Corporate unit and adjustments | Total Group       |
| <b>NON CURRENT ASSETS</b>   | <b>10,081,783</b>  | <b>1,095,983</b> | <b>265,362</b>      | <b>(433,097)</b>               | <b>11,010,031</b> |
| Intangible assets   | 2,995,239          | 235,395          | 182                 | 48,596                         | 3,279,412         |
| Goodwill  | 2,474,702          | 148,955          | —                   | 48,596                         | 2,672,253         |
| Other intangible assets   | 520,537            | 86,440           | 182                 | —                              | 607,159           |
| Tangible assets-property, plant and equipment / investment property | 1,225,134          | 155,329          | 652                 | 124,756                        | 1,505,871         |
| Non-current assets in projects                                      | 72,851             | —                | —                   | 2                              | 72,853            |
| Financial assets non-current  | 5,059,751          | 622,716          | 223,461             | (615,005)                      | 5,290,923         |
| Other current assets  | 728,808            | 82,543           | 41,067              | 8,554                          | 860,972           |
| <b>CURRENT ASSETS</b>   | <b>15,291,193</b>  | <b>463,506</b>   | <b>8,560,286</b>    | <b>339,329</b>                 | <b>24,654,314</b> |
| Inventories   | 545,622            | 408              | 1,560               | 194,502                        | 742,092           |
| Trade and other receivables   | 7,934,939          | 242,225          | 533,183             | (329,991)                      | 8,380,356         |
| Other current financial assets                                      | 1,006,180          | 1,112            | 133,210             | 139,577                        | 1,280,079         |
| Derivative financial instruments                                    | 2,033              | —                | —                   | 198,842                        | 200,875           |
| Other current assets  | 198,327            | 3,418            | 118                 | 976                            | 202,839           |
| Cash and cash equivalents   | 5,567,501          | 216,343          | 5,334,152           | 135,423                        | 11,253,419        |
| Non-current assets held for sale and discontinued operations        | 36,591             | —                | 2,558,063           | —                              | 2,594,654         |
| <b>TOTAL ASSETS</b>   | <b>25,372,976</b>  | <b>1,559,489</b> | <b>8,825,648</b>    | <b>(93,768)</b>                | <b>35,664,345</b> |

| EQUITY AND LIABILITIES   | Thousands of Euros |                  |                     |                                |                   |
|--|--------------------|------------------|---------------------|--------------------------------|-------------------|
|  | Infrastructure     | Services         | Industrial Services | Corporate unit and adjustments | Total Group       |
| <b>EQUITY</b>  | <b>5,114,697</b>   | <b>795,077</b>   | <b>694,836</b>      | <b>423,593</b>                 | <b>7,028,203</b>  |
| Equity attributed to the Parent  | 4,436,797          | 790,830          | 683,084             | 423,593                        | 6,334,304         |
| Non-controlling interests  | 677,900            | 4,247            | 11,752              | —                              | 693,899           |
| <b>NON-CURRENT LIABILITIES</b>   | <b>6,650,278</b>   | <b>327,809</b>   | <b>1,189,884</b>    | <b>3,276,875</b>               | <b>11,444,846</b> |
| Grants   | —                  | 2,099            | —                   | —                              | 2,099             |
| Non-current financial liabilities  | 4,756,213          | 211,371          | 744,626             | 3,005,144                      | 8,717,354         |
| Long term lease liabilities  | 337,846            | 63,349           | 201                 | 34                             | 401,430           |
| Derivative financial instruments   | 26,038             | —                | —                   | 7,012                          | 33,050            |
| Other liabilities non-current  | 1,530,181          | 50,990           | 445,057             | 264,685                        | 2,290,913         |
| <b>CURRENT LIABILITIES</b>   | <b>13,608,001</b>  | <b>436,603</b>   | <b>6,940,928</b>    | <b>(3,794,236)</b>             | <b>17,191,296</b> |
| Current financial liabilities  | 1,018,409          | 119,361          | 222,088             | 448,633                        | 1,808,491         |
| Short term lease liabilities   | 136,268            | 14,187           | 158                 | 152                            | 150,765           |
| Derivative financial instruments   | 1,836              | —                | —                   | 170,955                        | 172,791           |
| Trade and other payables   | 11,207,358         | 279,656          | 245,870             | 5,551                          | 11,738,435        |
| Other liabilities current  | 1,244,130          | 23,399           | 4,415,262           | (4,419,527)                    | 1,263,264         |
| Liabilities relating to non-current assets held for sale and discontinued operations | —                  | —                | 2,057,550           | —                              | 2,057,550         |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <b>25,372,976</b>  | <b>1,559,489</b> | <b>8,825,648</b>    | <b>(93,768)</b>                | <b>35,664,345</b> |

## Statement of financial position by business segment: 2020

| ASSET   | Thousands of Euros |                  |                     |                                |                   |
|---|--------------------|------------------|---------------------|--------------------------------|-------------------|
|   | Infrastructure     | Services         | Industrial Services | Corporate unit and adjustments | Total Group       |
| <b>NON CURRENT ASSETS</b>   | <b>10,364,528</b>  | <b>1,078,114</b> | <b>1,376,242</b>    | <b>199,911</b>                 | <b>13,018,795</b> |
| Intangible assets   | 3,021,926          | 233,270          | 166,668             | 237,315                        | 3,659,179         |
| Goodwill  | 2,440,639          | 140,918          | 44,182              | 237,314                        | 2,863,053         |
| Other intangible assets   | 581,287            | 92,352           | 122,486             | 1                              | 796,126           |
| Tangible assets-property, plant and equipment / investment property | 1,420,042          | 144,914          | 234,756             | 6,663                          | 1,806,375         |
| Non-current assets in projects                                      | 96,920             | —                | 309,229             | 2                              | 406,151           |
| Financial assets non-current  | 4,979,139          | 622,473          | 259,896             | (621,118)                      | 5,240,390         |
| Other current assets  | 846,501            | 77,457           | 405,693             | 577,049                        | 1,906,700         |
| <b>CURRENT ASSETS</b>   | <b>15,770,868</b>  | <b>356,317</b>   | <b>7,611,019</b>    | <b>576,721</b>                 | <b>24,314,925</b> |
| Inventories   | 630,969            | 413              | 84,224              | (365)                          | 715,241           |
| Trade and other receivables   | 6,894,737          | 216,178          | 3,324,520           | 62,854                         | 10,498,289        |
| Other current financial assets                                      | 763,132            | 1,344            | 472,142             | 118,364                        | 1,354,982         |
| Derivative financial instruments                                    | 3,330              | —                | 824                 | 247,162                        | 251,316           |
| Other current assets  | 208,773            | 2,394            | 20,438              | 1,549                          | 233,154           |
| Cash and cash equivalents   | 6,432,317          | 135,988          | 1,365,346           | 147,157                        | 8,080,808         |
| Non-current assets held for sale and discontinued operations        | 837,610            | —                | 2,343,525           | —                              | 3,181,135         |
| <b>TOTAL ASSETS</b>   | <b>26,135,396</b>  | <b>1,434,431</b> | <b>8,987,261</b>    | <b>776,632</b>                 | <b>37,333,720</b> |

| EQUITY AND LIABILITIES   | Thousands of Euros |                  |                     |                                |                   |
|--|--------------------|------------------|---------------------|--------------------------------|-------------------|
|  | Infrastructure     | Services         | Industrial Services | Corporate unit and adjustments | Total Group       |
| <b>EQUITY</b>  | <b>5,002,246</b>   | <b>775,462</b>   | <b>1,124,688</b>    | <b>(2,626,489)</b>             | <b>4,275,907</b>  |
| Equity attributed to the Parent  | 4,343,142          | 771,837          | 1,039,844           | (2,626,344)                    | 3,528,479         |
| Non-controlling interests  | 659,104            | 3,625            | 84,844              | (145)                          | 747,428           |
| <b>NON-CURRENT LIABILITIES</b>   | <b>6,527,136</b>   | <b>296,128</b>   | <b>1,057,734</b>    | <b>2,724,992</b>               | <b>10,605,990</b> |
| Grants   | 52                 | 1,888            | 1,545               | —                              | 3,485             |
| Non-current financial liabilities  | 4,799,329          | 197,597          | 792,255             | 2,580,855                      | 8,370,036         |
| Long term lease liabilities  | 361,141            | 48,836           | 62,859              | —                              | 472,836           |
| Derivative financial instruments   | 34,647             | —                | 1,793               | 13,351                         | 49,791            |
| Other liabilities non-current  | 1,331,967          | 47,807           | 199,282             | 130,786                        | 1,709,842         |
| <b>CURRENT LIABILITIES</b>   | <b>14,606,014</b>  | <b>362,841</b>   | <b>6,804,839</b>    | <b>678,129</b>                 | <b>22,451,823</b> |
| Current financial liabilities  | 1,443,950          | 112,835          | 566,773             | 762,250                        | 2,885,808         |
| Short term lease liabilities   | 152,834            | 13,215           | 26,124              | —                              | 192,173           |
| Derivative financial instruments   | 22,290             | —                | —                   | 133,170                        | 155,460           |
| Trade and other payables   | 11,097,530         | 219,720          | 4,613,517           | (106,733)                      | 15,824,034        |
| Other liabilities current  | 1,052,286          | 17,071           | 189,467             | (110,558)                      | 1,148,266         |
| Liabilities relating to non-current assets held for sale and discontinued operations | 837,124            | —                | 1,408,958           | —                              | 2,246,082         |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <b>26,135,396</b>  | <b>1,434,431</b> | <b>8,987,261</b>    | <b>776,632</b>                 | <b>37,333,720</b> |

25.02.02. The breakdown of revenue for 2021 and 2020 in the Construction business is as follows:

|                      | Thousands of Euros |                   |
|----------------------|--------------------|-------------------|
|                      | 2021               | 2020              |
| <b>Spain</b>         | <b>1,441,198</b>   | <b>1,415,565</b>  |
| Dragados             | 1,385,921          | 1,356,105         |
| Concessions          | 55,277             | 59,461            |
| <b>International</b> | <b>24,530,968</b>  | <b>26,192,551</b> |
| Dragados             | 3,115,204          | 3,211,466         |
| Hochtief             | 21,377,874         | 22,953,752        |
| Concessions          | 37,890             | 27,333            |
| <b>Total</b>         | <b>25,972,167</b>  | <b>27,608,116</b> |

The breakdown of revenue for 2021 and 2020 in the Industrial Services business is as follows:

|                              | Thousands of Euros |                |
|------------------------------|--------------------|----------------|
|                              | 2021               | 2020 ( * )     |
| Networks                     | —                  | 899            |
| Specialized facilities       | 26,347             | 25,944         |
| Integrated projects          | 65,833             | 25,412         |
| Renewable energy: generation | 137,989            | 96,249         |
| <b>Total</b>                 | <b>230,168</b>     | <b>148,505</b> |

( \* ) Restated.

Of the total revenue from Industrial Services, EUR 178,802 thousand in 2021 and EUR 96,834 thousand in 2020 relate to international operations, representing 77.7% and 65.2%, respectively.

The breakdown of revenue in the Services business is as follows:

|                     | Thousands of Euros |                  |
|---------------------|--------------------|------------------|
|                     | 2021               | 2020             |
| Facility Management | 1,642,527          | 1,554,649        |
| <b>Total</b>        | <b>1,642,527</b>   | <b>1,554,649</b> |

Of the total revenue from the Services business, EUR 139,446 thousand in 2021 and EUR 117,993 thousand in 2020 relate to international operations, representing 8.5% and 7.6%, respectively.

Revenue is allocated on the basis of the geographical distribution of customers.



The reconciliation of revenue, by segment, to consolidated revenue at 31 December 2021 and 2020 is as follows:

| Segments  | Thousands of Euros |                      |                   |                   |                      |                   |
|---|--------------------|----------------------|-------------------|-------------------|----------------------|-------------------|
|   | 2021               |                      |                   | 2020 ( * )        |                      |                   |
|   | External income    | Inter-segment income | Total income      | External income   | Inter-segment income | Total income      |
| Infrastructure  | 25,998,120         | (25,953)             | <b>25,972,167</b> | 27,604,678        | 3,438                | <b>27,608,116</b> |
| Industrial Services   | 198,958            | 31,210               | <b>230,168</b>    | 148,290           | 215                  | <b>148,505</b>    |
| Services  | 1,639,580          | 2,947                | <b>1,642,527</b>  | 1,551,729         | 2,920                | <b>1,554,649</b>  |
| (-) Adjustments and eliminations of ordinary inter-segment income | —                  | (8,204)              | <b>(8,204)</b>    | —                 | (6,573)              | <b>(6,573)</b>    |
| <b>Total</b>  | <b>27,836,658</b>  | —                    | <b>27,836,658</b> | <b>29,304,697</b> | —                    | <b>29,304,697</b> |

( \* ) Restated.

Inter-segment sales are made at market prices.

The reconciliation of the profit/(loss), by business, with consolidated profit/(loss) before taxes at 31 December 2021 and 2020 is as follows:

| Business segments  | Thousands of Euros |                |
|--|--------------------|----------------|
|  | 2021               | 2020 ( * )     |
| Infrastructure   | 505,724            | 452,102        |
| Industrial Services  | 393,184            | 315,191        |
| Services   | 57,994             | 16,342         |
| <b>Total profit / (loss) of the segments reported upon</b>             | <b>956,902</b>     | <b>783,635</b> |
| (+/-) Non-assigned profit  | 2,257,992          | 109,825        |
| (+/-) Income tax and / or profit / (loss) from discontinued operations | (3,157,392)        | 10,963         |
| <b>Profit / (Loss) before tax</b>                                      | <b>57,502</b>      | <b>904,423</b> |

( \* ) Restated.

Revenue by geographical area for 2021 and 2020 is as follows:

| Revenue by Geographical Area | Thousands of Euros |                   |
|------------------------------|--------------------|-------------------|
|                              | 2021               | 2020 ( * )        |
| Domestic market              | 2,987,802          | 2,883,340         |
| Foreign market               | 24,848,856         | 26,421,357        |
| a) European Union            | 1,888,458          | 1,829,368         |
| a.1) Euro Zone               | 1,021,641          | 970,740           |
| a.2) Non Euro Zone           | 866,817            | 858,628           |
| b) Rest of countries         | 22,960,398         | 24,591,989        |
| <b>Total</b>                 | <b>27,836,658</b>  | <b>29,304,697</b> |

( \* ) Restated.

The following table shows the breakdown, by geographical area, of certain of the Group's consolidated balances:

|                                       | Thousands of Euros |            |                   |            |
|---------------------------------------|--------------------|------------|-------------------|------------|
|                                       | Spain              |            | Rest of the world |            |
|                                       | 2021               | 2020 ( * ) | 2021              | 2020 ( * ) |
| Revenue                               | 2,987,802          | 2,883,340  | 24,848,856        | 26,421,357 |
| Segment assets                        | 13,964,883         | 10,386,694 | 21,699,462        | 26,947,026 |
| Total investments / (divestments) net | (3,693,351)        | (409,427)  | 295,708           | 117,116    |

( \* ) Restated.

### 25.02.03 Breakdown of assets

The assets at 31 December 2021 and 2020, by geographical area, are as follows:

|                                 | Thousands of Euros |                   |
|---------------------------------|--------------------|-------------------|
|                                 | 31/12/2021         | 31/12/2020        |
| <b>Europe</b>                   | <b>17,718,151</b>  | <b>15,396,071</b> |
| Spain                           | 13,964,883         | 10,386,694        |
| Germany                         | 3,119,486          | 3,531,240         |
| Rest of Europe                  | 633,782            | 1,478,137         |
| <b>Rest of geographic areas</b> | <b>17,946,194</b>  | <b>21,937,649</b> |
| Americas                        | 10,849,287         | 13,323,021        |
| Asia                            | 38,749             | 314,012           |
| Australasia                     | 7,014,259          | 8,141,402         |
| Africa                          | 43,899             | 159,214           |
| <b>TOTAL</b>                    | <b>35,664,345</b>  | <b>37,333,720</b> |

The additions to non-current assets, by line of business, were as follows:

|                                | Thousands of Euros |                |
|--------------------------------|--------------------|----------------|
|                                | 2021               | 2020           |
| Infrastructure                 | 274,066            | 722,752        |
| Services                       | 56,339             | 45,714         |
| Industrial Services            | 83                 | 209,475        |
| Corporate unit and adjustments | 59                 | 107            |
| <b>Total</b>                   | <b>330,547</b>     | <b>978,048</b> |

## 26. Tax matters

### 26.01. Consolidated Tax Group

Pursuant to current law, ACS, Actividades de Construcción y Servicios, S.A. is the Parent Company of Tax Group 30/99, which includes the Spanish subsidiaries in which the Parent Company has a direct or indirect ownership interest of at least 75% and that meet the requirements provided for in Spanish regulations governing the tax consolidation regime.

The Group's other subsidiaries file individual tax returns in accordance with the tax law in force in each country, either individually or with groups of companies.

### 26.02 Reconciliation of the current income tax expense to accounting profit

The reconciliation of the income tax expense for continuing operations resulting from the application of the standard tax rate in force in Spain to the current tax expense recognised, and the determination of the average effective tax rate, are as follows:

|  | Thousands of Euros |                  |
|--|--------------------|------------------|
|  | 31/12/2021         | 31/12/2020 ( * ) |
| Consolidated profit before tax                           | 57,502             | 904,423          |
| Net profit from equity accounted investments             | (273,425)          | (166,010)        |
| Permanent differences                                    | 546,229            | (105,749)        |
| Taxable profit   | 330,306            | 632,664          |
| Tax at 25%   | 82,578             | 158,166          |
| Deductions for incentives                                | (2,550)            | (4,810)          |
| Effect of different standard tax rate in other countries | 22,077             | 85,566           |
| Current tax income expense                               | 102,105            | 238,922          |
| Effective rate, excluding equity method                  | 30.9%              | 37.8%            |

( \* ) Restated.

The permanent differences in 2021 are mainly due to the 5% taxation on capital gains from the sale of subsidiaries and on dividends received, including those from the Tax Group. In 2020 these differences related to capital gains on the sale of subsidiaries and tax-exempt dividends, and the reversal of provisions that were not tax deductible, and, conversely, expenses and losses that were not tax deductible..

The tax credits basically include both double taxation tax credits and tax credits for donations and those for R&D activities carried out in Spain and in other countries.

The effect of the spread between national tax rates against the reference tax rate of 25% is due to the fact that the nominal Spanish rate used to calculate this table is lower than the average of nominal rates in the relevant countries in which the Group operates.

### 26.03. Detail of income tax expense

The detail of the income tax expense is as follows:

|  | Thousands of Euros |                  |
|--|--------------------|------------------|
|  | 31/12/2021         | 31/12/2020 ( * ) |
| Current income tax expense (Note 26.02)  | 102,105            | 238,922          |
| Expense / (income) relating to adjustments to prior year's tax                     | 642,321            | 12,031           |
| (Income) arising from the application of prior year's deferred tax assets          | (54,188)           | (31,741)         |
| Expense arising from deferred tax assets generated in the year and not capitalised | 27,154             | 112,087          |
| Tax expense (income) due to impact on defferred taxes from changes in legislation  | 75                 | 215              |
| Expense / (Income) other adjustments to tax for the year                           | 71,905             | (76,393)         |
| <b>Final balance of the income tax</b>   | <b>789,372</b>     | <b>255,121</b>   |

( \* ) Restated.

The expense relating to adjustments to prior years' tax is mainly due to the cancellation of tax loss carryforwards and tax credits for the Spanish Tax Group (see Note 26.05) and to the derecognition of deferred tax assets related to the sale of most of the Industrial Services division.

The expense relating to deferred tax assets arising in the year and not recognised in 2020 is a result mainly of the decision, in accordance with the principle of prudence, not to recognise the tax assets associated with tax losses and the temporary difference due to non-deductible finance costs incurred mainly by Group companies in Germany.

Accordingly, the tax expense incurred in 2021, related to the profit from discontinued operations, amounted to EUR 77,064 thousand (EUR 132,232 thousand in 2020), without prejudice to the fact that it was included, but broken down, under the line item relating to profit after tax from discontinued operations, in the accompanying consolidated income statement. The Group has not detailed the fair value of certain financial instruments, such as "Trade receivables for sales and services" and "Trade payables", as their carrying amount approximates their fair value.

|  | Thousands of Euros |            |
|--|--------------------|------------|
|  | 31/12/2021         | 31/12/2020 |
| Profit before taxes from discontinued operations | 4,035,168          | 411,420    |
| Permanent differences                            | (3,726,913)        | 117,508    |
| Taxable profit                                   | 308,255            | 528,928    |
| Tax at 25% / 28%                                 | 77,064             | 132,232    |

#### **26.04. Taxes recognised in equity**

In addition to the tax effects recognised in the consolidated income statement, in 2021 a charge of EUR 78,290 thousand was recognised directly in the Group's equity (a credit of EUR 14,683 thousand in 2020). These amounts relate to tax effects of adjustments to financial assets through other comprehensive income, with a charge of EUR 15,903 thousand in 2021 (credit of EUR 9,161 thousand in 2020), cash flow derivatives, with a charge of EUR 26,623 thousand in 2021 (charge of EUR 3,723 thousand in 2020), actuarial losses, with a charge of EUR 35,990 thousand in 2021 (credit of EUR 9,779 thousand in 2020) and translation difference, with a credit of EUR 226 thousand in 2021 (charge of EUR 534 thousand in 2020).

## 26.05. Deferred taxes

The breakdown, by temporary differences, of the balance of these assets and the liabilities is as follows:

|   | Thousands of Euros |                  |
|---|--------------------|------------------|
|   | 31/12/2021         | 31/12/2020       |
| <b>Deferred tax assets arising from:</b>                  |                    |                  |
| Asset valuation adjustments and impairment losses         | 262,426            | 397,663          |
| Other provisions  | 223,246            | 308,745          |
| Pension costs   | 38,784             | 95,902           |
| Income with different tax and accounting accruals         | 9,879              | 13,575           |
| Losses of establishments abroad                           | 79,798             | 119,406          |
| Financial expenses not deductible                         | 8,094              | 10,860           |
| Other   | 303,473            | 340,101          |
| <b>Total</b>  | <b>925,700</b>     | <b>1,286,252</b> |
| Assets for tax loss                                       | 292,374            | 815,346          |
| Assets for deductions in quota                            | 76,664             | 194,537          |
| <b>Total</b>  | <b>1,294,738</b>   | <b>2,296,135</b> |
| Compensations of deferred tax assets/liabilities          | (445,343)          | (407,282)        |
| <b>Total deferred tax assets</b>                          | <b>849,395</b>     | <b>1,888,853</b> |
| <b>Deferred tax liabilities arising from:</b>             |                    |                  |
| Assets recognised at an amount higher than their tax base | 307,484            | 307,867          |
| Income with different tax and accounting accrual          | 68,195             | 156,413          |
| Other   | 296,776            | 263,490          |
| <b>Total</b>  | <b>672,455</b>     | <b>727,770</b>   |
| Compensation of deferred tax assets/liabilities           | (445,343)          | (407,282)        |
| <b>Total deferred tax liabilities</b>                     | <b>227,112</b>     | <b>320,488</b>   |

At 31 December 2021, deferred tax assets and liabilities arising from temporary differences totalling EUR 445,343 thousand (EUR 407,282 thousand at 31 December 2020) have been offset. The offsetting was at the level of the same company or tax group and most of the offsetting arises in the Hochtief Group.

The detail of and changes in the main deferred tax assets and liabilities recognised by the Group in 2021 and 2020 is as follows:

|                       | Thousands of Euros          |                              |                            |  |                                     |               |                       |                  |                             |
|-----------------------|-----------------------------|------------------------------|----------------------------|--|-------------------------------------|---------------|-----------------------|------------------|-----------------------------|
|                       | Balance at 31 December 2020 | Current movement in the year | Charge/credit to equity    |  |                                     |               | Business combinations |                  | Balance at 31 December 2021 |
|                       |                             |                              | Actuarial gains and losses | Charge/credit to asset and liability revaluation reserve | Available-for-sale financial assets | Other         | Period acquisitions   | Period disposals |                             |
| <b>Assets</b>         | <b>2,296,135</b>            | <b>(597,336)</b>             | <b>(35,990)</b>            | <b>(29,184)</b>  | —                                   | <b>11,641</b> | <b>4,292</b>          | <b>(354,820)</b> | <b>1,294,738</b>            |
| Temporary differences | 1,286,252                   | (58,970)                     | (35,990)                   | (29,184)   | —                                   | 8,260         | 2,664                 | (247,332)        | 925,700                     |
| Tax losses            | 815,346                     | (448,760)                    | —                          | —  | —                                   | 3,381         | —                     | (77,593)         | 292,374                     |
| Tax credits           | 194,537                     | (89,606)                     | —                          | —  | —                                   | —             | 1,628                 | (29,895)         | 76,664                      |
| <b>Liabilities</b>    | <b>727,770</b>              | <b>(9,801)</b>               | —                          | —  | —                                   | <b>5,468</b>  | <b>1,552</b>          | <b>(52,534)</b>  | <b>672,455</b>              |
| Temporary differences | 727,770                     | (9,801)                      | —                          | —  | —                                   | 5,468         | 1,552                 | (52,534)         | 672,455                     |

|                       | Thousands of Euros          |                              |                            |  |                                     |                 |                       |                  |                             |
|-----------------------|-----------------------------|------------------------------|----------------------------|--|-------------------------------------|-----------------|-----------------------|------------------|-----------------------------|
|                       | Balance at 31 December 2019 | Current movement in the year | Charge/credit to equity    |  |                                     |                 | Business combinations |                  | Balance at 31 December 2020 |
|                       |                             |                              | Actuarial gains and losses | Charge/credit to asset and liability revaluation reserve | Available-for-sale financial assets | Other           | Period acquisitions   | Period disposals |                             |
| <b>Assets</b>         | <b>2,802,513</b>            | <b>(477,437)</b>             | <b>9,779</b>               | <b>7,269</b>   | —                                   | <b>(18,992)</b> | —                     | <b>(26,997)</b>  | <b>2,296,135</b>            |
| Temporary differences | 1,337,709                   | (28,159)                     | 9,779                      | 7,269  | —                                   | (23,789)        | —                     | (16,557)         | 1,286,252                   |
| Tax losses            | 1,254,145                   | (433,923)                    | —                          | —  | —                                   | 5,564           | —                     | (10,440)         | 815,346                     |
| Tax credits           | 210,659                     | (15,355)                     | —                          | —  | —                                   | (767)           | —                     | —                | 194,537                     |
| <b>Liabilities</b>    | <b>1,079,292</b>            | <b>(335,879)</b>             | —                          | <b>22</b>  | —                                   | <b>(10,355)</b> | —                     | <b>(5,310)</b>   | <b>727,770</b>              |
| Temporary differences | 1,079,292                   | (335,879)                    | —                          | 22   | —                                   | (10,355)        | —                     | (5,310)          | 727,770                     |

Tax loss and tax credit carryforwards relating to the ACS Spanish Tax Group amounted to EUR 72,704 thousand at 31 December 2021 (EUR 651,738 thousand at 31 December 2020).

The detail of the deferred tax assets at 31 December 2021 and 2020 is as follows:

|                             | Thousands of Euros |                 |                |                    |                 |                  |
|-----------------------------|--------------------|-----------------|----------------|--------------------|-----------------|------------------|
|                             | 31/12/2021         |                 |                | 31/12/2020         |                 |                  |
|                             | Tax Group in Spain | Other companies | Total          | Tax Group in Spain | Other companies | Total            |
| Credit for tax loss         | —                  | 255,735         | <b>255,735</b> | 462,294            | 353,052         | <b>815,346</b>   |
| Other temporary differences | 257,782            | 259,214         | <b>516,996</b> | 468,123            | 410,847         | <b>878,970</b>   |
| Tax credits and tax relief  | 72,704             | 3,960           | <b>76,664</b>  | 189,444            | 5,093           | <b>194,537</b>   |
| <b>Total</b>                | <b>330,486</b>     | <b>518,909</b>  | <b>849,395</b> | <b>1,119,861</b>   | <b>768,992</b>  | <b>1,888,853</b> |

The tax loss carryforwards of the ACS Spanish Tax Group arose from the consolidated tax loss for 2012, mainly due to the impairment and unrealised losses related to the investment in Iberdrola, S.A. This tax credit does not expire. In 2021, as a result of the sale of most of the Industrial Services Division to the Vinci Group, the ACS Group reassessed the recoverability of the tax credits as at 31 December 2021. Given that most of the taxable profit justifying the recoverability of the tax loss carryforwards and tax credits of the Spanish Tax Group came from the Industrial Services Division sold, EUR 459,982 thousand in tax loss

carryforwards and EUR 90,735 thousand in tax credits had to be derecognised. This effect was recognised under "Income tax" in the accompanying consolidated income statement. However, the Spanish Tax Group retains its rights from a tax point of view, so that they may be recognised in the future if the conditions for doing so are considered to have been met.

The deferred tax assets were recognised in the consolidated statement of financial position because the Group's directors considered that, based on their best estimate of the Group's future earnings, it is probable that these assets will be recovered.

The deferred tax liabilities, which amount to EUR 227,112 thousand (EUR 320,488 thousand at 31 December 2020), have not substantially changed with respect to 31 December 2020. In relation to the amendment made by the Spanish Government's General State Budget for 2021, which set a limit of 95% on the exemption of dividends received by Spanish companies, the Group assessed the impact of this measure at the end of 2020, taking into account, among other factors, the interim dividends approved prior to the reporting date, the effects of Covid-19 on the profits of the various companies during the year and the corporate transactions that may, where applicable, prove to be profitable over the coming year, and concluded that this will not have a significant impact on these Consolidated Annual Accounts.

Pursuant to current regulations, deferred tax assets arising from temporary difference are not subject to expiration periods.

Furthermore, as regards the tax assets arising due to tax losses, their use is subject to various conditions and deadlines established by the different applicable national regulations; in particular, in the case of Australia, where the most significant tax asset was generated, there is no statutory expiration period.

In turn, tax credit carryforwards corresponding to the Spanish Tax Group, included on the asset side of the consolidated statement of financial position in the amount of EUR 72,704 thousand (EUR 189,444 thousand in 2020), are set to expire according to the type of asset as set out in the Corporation Tax Act. The unused tax credits in 2021 mainly relate to tax credits arising between 2010 and 2020 for reinvestment of gains and R&D expenses, the statutory expiration periods of which are 15 and 18 years, respectively.

As regards the tax credits of the Spanish Tax Group, an impairment test is carried out every year to determine which tax credits are used by the Group within the expiration period.

The key assumptions of this test, which are consistent with those applied in previous years, were as follows:

- Profit before tax, calculated based on taxable profit, of the business areas in Spain that, with respect to that obtained in 2021, increases for subsequent years at annual rates of 3%.
- General maintenance of the consolidation perimeter of companies in the Tax Group at the reporting date following the sale of most of the Industrial Services Division.
- The finance charge for the Group's corporate debt in Spain was specifically recalculated taking into account the new breakdown of this debt and a reduction at an average annual rate of 2% was estimated for subsequent years.
- The minimum tax rate of 15% of taxable profit was taken into account and a maximum of 25% of adjusted gross tax liability was set regarding the use of the gross tax liability adjusted by tax credits for R&D, reinvestment and others.

The Group has considered, in relation to the analysis of the recoverability of deferred tax assets, the main positive and negative factors that apply to the recognition of these assets, identifying that the following factors, among others, are met:

#### Positive factors

- History of recurring profits by the tax group.
- Existence of new business opportunities for the tax group. Having a solid portfolio.
- The Group is not a start-up.

- Compliance with business plans and profit forecasts in the coming financial years.
- Some of the businesses that make up the tax group are not very complex in terms of making projections.

#### Negative factors

- The longer the recovery time, the less reliable the estimate will be.
- Long offsetting periods do not guarantee that deferred tax assets will be reversed in full because a company or tax group could generate new losses in the future or cease to be a going concern. In the case of the ACS Spanish tax group, it has a history of recurring profits and a solid future portfolio, so this negative factor does not occur and the loss was a one-off operating event.

On the basis of these assumptions, the tax assets of the Spanish Tax Group recognised in the statement of financial position would be used before they expire. However, it is worth noting that significant negative deviations between the above profits and the estimates used in the impairment test, in overall terms, i.e., that may not be offset by subsequent positive deviations within the expiration period, could represent a recoverability risk as regards the tax credit. In particular, based on the test performed, negative changes in the Spanish Tax Group's attributable profit, in overall (not specific) terms, throughout the relevant period, with respect to the average of those generated in the last two years, would determine the beginning of the partial expiration of the tax credits.

In addition to the amounts recognised on the asset side of the consolidated statement of financial position, as detailed in the table above, the Group has other deferred tax assets and tax loss and tax credit carryforwards not recognised on the asset side of the consolidated statement of financial position because it is not possible to predict the future flows of economic benefits.

They most notably include those of the Hochtief Group, both from residents in Germany and in other countries, for which the tax asset associated with tax losses in the amount of EUR 1,689,758 thousand (EUR 1,737,722 thousand in 2020) was not recognised; those for municipal taxes in the amount of EUR 1,367,241 thousand (EUR 1,578,831 thousand in 2020), for which the Group also did not recognise the tax asset for temporary differences on finance costs in the amount of EUR 398,880 thousand (EUR 440,867 thousand in 2020) offset against corporation tax; and, lastly, deductible temporary differences not capitalised in the amount of EUR 253,882 thousand (EUR 82,952 thousand in 2020).

#### **26.06 Tax audits**

Under the current law, taxes cannot be considered to have been definitely settled until the tax returns filed have been reviewed by the tax authorities or until the limitation period has expired.

As regards the tax audit that began in June 2019 in relation to the ACS Group's corporation tax (2013 to 2016), and VAT and tax withholdings (2015 and 2016) for certain Group companies, the audit was concluded in the course of 2021 with VAT assessments signed on an uncontested and corporation tax assessments signed on an uncontested and a contested basis, but in both cases for insignificant amounts.

The ACS Group's directors consider that the tax returns have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax law in relation to the tax treatment afforded to certain transactions, such liabilities as might arise would not have a material effect on the Annual Accounts.



## 27. Revenue and backlog

### 27.01. Revenue

The distribution of revenue in 2021 and 2020 relating to the Group's ordinary operations, by business segment, is as follows:

| Business segments   | Thousands of Euros |                   |
|---|--------------------|-------------------|
|   | 2021               | 2020 ( * )        |
| Infrastructure  | 25,972,167         | 27,608,116        |
| Industrial Services   | 230,168            | 148,505           |
| Services  | 1,642,527          | 1,554,649         |
| (-) Adjustments and eliminations of ordinary inter-segment income | (8,204)            | (6,573)           |
| <b>Total</b>  | <b>27,836,658</b>  | <b>29,304,697</b> |

( \* ) Restated.

Revenue amounting to EUR 27,836,658 thousand in 2021 (EUR 29,304,697 thousand in 2020) includes performance obligations recognised mainly through the application of the product method in the infrastructure businesses (civil construction, PPP, etc.), the services business (including construction management, and comprehensive maintenance services for buildings, public places and organisations, together with assistance to people).

Revenue in 2020 included EUR 694.2 million corresponding to the reversal of the income received for the Gorgon Jetty project in accordance with IFRS 15 for variable consideration (see Note 12.01).

Revenue by type for 2021 is as follows:

|                                | Construction/PPP   |               | Construction Management/Services |               | Others             |              | Total              |               |
|--------------------------------|--------------------|---------------|----------------------------------|---------------|--------------------|--------------|--------------------|---------------|
|                                | Thousands of Euros | %             | Thousands of Euros               | %             | Thousands of Euros | %            | Thousands of Euros | %             |
| Infrastructure                 | 11,142,230         | 40.0 %        | 14,519,024                       | 52.2 %        | 310,913            | 1.1 %        | 25,972,167         | 93.3%         |
| Industrial Services            | —                  | 0.0 %         | 25,561                           | 0.1 %         | 204,607            | 0.7 %        | 230,168            | 0.8%          |
| Services                       | —                  | 0.0 %         | 1,642,536                        | 5.9 %         | (9)                | 0.0 %        | 1,642,527          | 5.9%          |
| Corporate unit and adjustments | —                  | 0.0 %         | —                                | 0.0 %         | (8,204)            | 0.0 %        | (8,204)            | 0.0%          |
| <b>Total</b>                   | <b>11,142,230</b>  | <b>40.0 %</b> | <b>16,187,121</b>                | <b>58.2 %</b> | <b>507,307</b>     | <b>1.8 %</b> | <b>27,836,658</b>  | <b>100.0%</b> |

Revenue by type for 2020 was as follows:

| ( * )                          | Construction/PPP   |               | Construction Management/Services |               | Others             |              | Total              |               |
|--------------------------------|--------------------|---------------|----------------------------------|---------------|--------------------|--------------|--------------------|---------------|
|                                | Thousands of Euros | %             | Thousands of Euros               | %             | Thousands of Euros | %            | Thousands of Euros | %             |
| Infrastructure                 | 10,087,608         | 34.4 %        | 17,219,450                       | 58.8 %        | 254,864            | 0.9 %        | 27,608,116         | 94.2%         |
| Industrial Services            | —                  | 0.0 %         | 38,643                           | 0.1 %         | 109,862            | 0.4 %        | 148,505            | 0.5%          |
| Services                       | —                  | 0.0 %         | 1,554,657                        | 5.3 %         | (8)                | 0.0 %        | 1,554,649          | 5.3%          |
| Corporate unit and adjustments | —                  | 0.0 %         | —                                | 0.0 %         | (6,573)            | 0.0 %        | (6,573)            | 0.0%          |
| <b>Total</b>                   | <b>10,087,608</b>  | <b>34.4 %</b> | <b>18,812,750</b>                | <b>64.2 %</b> | <b>358,145</b>     | <b>1.2 %</b> | <b>29,304,697</b>  | <b>100.0%</b> |

( \* ) Restated.

In 2021 foreign currency transactions relating to sales and services amounted to EUR 23,461,166 thousand (EUR 28,124,298 thousand in 2020) and those relating to purchases and services received amounted to EUR 17,534,569 thousand (EUR 21,629,768 thousand in 2020).

The distribution of revenue relating to the Group's ordinary operations at 2021 and 2020, by the main countries where it operates, is as follows:

| Revenue by Countries | Thousands of Euros |                   |
|----------------------|--------------------|-------------------|
|                      | 2021               | 2020 ( * )        |
| United States        | 14,823,645         | 15,687,201        |
| Australia            | 5,190,145          | 5,054,425         |
| Spain                | 2,987,802          | 2,883,340         |
| Canada               | 1,601,619          | 1,626,533         |
| Germany              | 925,899            | 857,398           |
| Hong Kong            | 490,082            | 548,863           |
| United Kingdom       | 375,206            | 286,422           |
| Poland               | 345,371            | 401,257           |
| New Zealand          | 285,831            | 292,760           |
| Other                | 811,058            | 1,666,498         |
| <b>Total</b>         | <b>27,836,658</b>  | <b>29,304,697</b> |

( \* ) Restated.

## 27.02. Backlog

The backlog by line of business at 31 December 2021 and 2020 was as follows:

|                | Thousands of Euros |                   |
|----------------|--------------------|-------------------|
|                | 31/12/2021         | 31/12/2020 ( * )  |
| Infrastructure | 64,378,903         | 57,723,548        |
| Services       | 2,882,791          | 2,701,135         |
| <b>Total</b>   | <b>67,261,694</b>  | <b>60,424,683</b> |

( \* ) Restated.

Revenue by backlog at 31 December 2021 is as follows:

|                | Construction/PPP   |               | Construction Management/Services |               | Others             |              | Total              |                |
|----------------|--------------------|---------------|----------------------------------|---------------|--------------------|--------------|--------------------|----------------|
|                | Thousands of Euros | %             | Thousands of Euros               | %             | Thousands of Euros | %            | Thousands of Euros | %              |
| Infrastructure | 26,361,143         | 39.2 %        | 37,911,847                       | 56.4 %        | 105,913            | 0.2 %        | 64,378,903         | 95.7 %         |
| Services       | —                  | 0.0 %         | 2,882,791                        | 4.3 %         | —                  | 0.0 %        | 2,882,791          | 4.3 %          |
| <b>Total</b>   | <b>26,361,143</b>  | <b>39.2 %</b> | <b>40,794,638</b>                | <b>60.7 %</b> | <b>105,913</b>     | <b>0.2 %</b> | <b>67,261,694</b>  | <b>100.0 %</b> |

Revenue by backlog at 31 December 2020 was as follows:

| ( * )          | Construction/PPP   |               | Construction Management/Services |               | Others             |              | Total              |                |
|----------------|--------------------|---------------|----------------------------------|---------------|--------------------|--------------|--------------------|----------------|
|                | Thousands of Euros | %             | Thousands of Euros               | %             | Thousands of Euros | %            | Thousands of Euros | %              |
| Infrastructure | 26,903,662         | 44.5 %        | 30,650,262                       | 50.7 %        | 169,624            | 0.3 %        | 57,723,548         | 95.5 %         |
| Services       | —                  | 0.0 %         | 2,701,135                        | 4.5 %         | —                  | 0.0 %        | 2,701,135          | 4.5 %          |
| <b>Total</b>   | <b>26,903,662</b>  | <b>44.5 %</b> | <b>33,351,397</b>                | <b>55.2 %</b> | <b>169,624</b>     | <b>0.3 %</b> | <b>60,424,683</b>  | <b>100.0 %</b> |

( \* ) Restated.

The backlog would be equivalent to approximately 26 months of activity at 31 December 2021 (23 months at 31 December 2020).

The term of the contracts varies depending on the different business areas, with the average contract term for construction activities ranging from 1 to 5 years, for maintenance, construction and services up to 10 years, and for the construction and operation of concessions up to 30 years.

Capitalised expenses amounting to EUR 556 thousand (EUR 1,205 thousand in 2020), relating mainly to in-house work on property, plant and equipment and intangible assets, were recognised under "Capitalised expenses of in-house work on assets" in the consolidated income statement for 2021.

The Group mainly includes expenses invoiced to unincorporated joint ventures in the Construction business, claims against insurance companies and grants related to income received under "Other operating income".

## 28. Expenses

### 28.01. Procurements

The detail of this heading in 2021 and 2020 is as follows:

|  | Thousands of Euros |                   |
|--|--------------------|-------------------|
|  | 2021               | 2020 ( * )        |
| Cost of merchandise sold                                 | 171,380            | 31,248            |
| Cost of raw materials and other consumables used         | 16,780,504         | 18,250,517        |
| Contract work carried out by other companies             | 2,074,995          | 2,221,661         |
| Impairment of merchandise, raw material and procurements | (7,061)            | (1,150)           |
| <b>Total</b>   | <b>19,019,818</b>  | <b>20,502,276</b> |

( \* ) Restated.

### 28.02. Personnel expenses

The breakdown of personnel expenses in 2021 and 2020 is as follows:

|                         | Thousands of Euros |                  |
|-------------------------|--------------------|------------------|
|                         | 2021               | 2020 ( * )       |
| Wages and salaries      | 5,236,548          | 5,734,101        |
| Social security costs   | 801,969            | 815,673          |
| Other personal expenses | 202,194            | 228,059          |
| Provisions              | (1,425)            | (410)            |
| <b>Total</b>            | <b>6,239,286</b>   | <b>6,777,423</b> |

( \* ) Restated.

Personnel expenses amounting to EUR 4,471 thousand in 2021 (EUR 4,471 thousand in 2020) relating to ACS, Actividades de Construcción y Servicios, S.A. share option plans are recognised in the consolidated income statement. These share option plans were recognised under "Wages and salaries".

The detail of the average number of employees, by professional category and gender, in 2021 and 2020 is as follows:

| By profesional category     | Average number of employees |               |                |               |               |                |
|-----------------------------|-----------------------------|---------------|----------------|---------------|---------------|----------------|
|                             | 2021                        |               |                | 2020 ( * )    |               |                |
|                             | Men                         | Women         | Total          | Men           | Women         | Total          |
| University graduates        | 10,994                      | 4,386         | <b>15,380</b>  | 13,283        | 4,595         | <b>17,878</b>  |
| Junior college graduates    | 1,822                       | 2,247         | <b>4,069</b>   | 2,345         | 3,076         | <b>5,421</b>   |
| Non-graduate line personnel | 9,253                       | 6,821         | <b>16,074</b>  | 10,342        | 7,171         | <b>17,513</b>  |
| Clerical personnel          | 1,777                       | 2,580         | <b>4,357</b>   | 2,413         | 3,098         | <b>5,511</b>   |
| Other employees             | 27,900                      | 53,047        | <b>80,947</b>  | 37,300        | 53,137        | <b>90,437</b>  |
| <b>Total</b>                | <b>51,746</b>               | <b>69,081</b> | <b>120,827</b> | <b>65,683</b> | <b>71,077</b> | <b>136,760</b> |

( \* ) Restated.

The average number of employees for 2020 includes 11,862 employees of Thies, a company of which 50% was sold on 31 December 2020 and that was accounted for in the consolidated annual accounts at 31 December 2021 using the equity method.

The distribution of the average number of employees in 2021 and 2020, by line of business, was as follows:

|                          | Average number of employees |                |
|--------------------------|-----------------------------|----------------|
|                          | 2021                        | 2020 ( * )     |
| Construction             | 45,058                      | 60,278         |
| Industrial Services      | 181                         | 226            |
| Services                 | 75,519                      | 76,202         |
| Corporate Unit and other | 69                          | 54             |
| <b>Total</b>             | <b>120,827</b>              | <b>136,760</b> |

( \* ) Restated.

The average number of employees with disabilities at ACS Group companies with offices in Spain in 2021 amounted to 6,866 people (6,972 people in 2020). This represents 10.1% (9.4% in 2020) of the ACS Group's average workforce in Spain.

The breakdown of the average number of employees, by gender and professional category, with a disability greater than or equal to 33% in Spain is as follows:

|                             | Average number of employees with disabilities >33% in Spain |              |              |              |              |              |
|-----------------------------|---|--------------|--------------|--------------|--------------|--------------|
|                             | 2021  |              |              | 2020 ( * )   |              |              |
|                             | Men   | Women        | Total        | Men          | Women        | Total        |
| University graduates        | 14  | 14           | <b>28</b>    | 15           | 14           | <b>29</b>    |
| Junior college graduates    | 14  | 33           | <b>47</b>    | 20           | 42           | <b>62</b>    |
| Non-graduate line personnel | 87  | 153          | <b>240</b>   | 1,382        | 1,367        | <b>2,749</b> |
| Clerical personnel          | 24  | 73           | <b>97</b>    | 29           | 74           | <b>103</b>   |
| Other employees             | 2,651   | 3,803        | <b>6,454</b> | 1,384        | 2,645        | <b>4,029</b> |
| <b>Total</b>                | <b>2,790</b>  | <b>4,076</b> | <b>6,866</b> | <b>2,830</b> | <b>4,142</b> | <b>6,972</b> |

( \* ) Restated.

### 28.03. Shared-based remuneration systems

#### ACS

On 25 July 2018, the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A., in application of the authorisations granted by the Company's Annual General Meetings held on 28 April 2015 and 4 May 2017, and after a favourable report of the Remuneration Committee held on that same date, decided to establish an Options Plan on shares of ACS, Actividades de Construcción y Servicios, S.A. (2018 Options Plan), governed by the following terms and conditions:

- a. The number of shares subject to the Options Plan will be a maximum of 12,586,580 shares, of EUR 0.50 par value each.
- b. The beneficiaries are 271 executives with options from 500,000 to 200,000.
- c. The acquisition price will be EUR 37.170 per share. This price will change by the corresponding amount should a dilution take place.
- d. The options may be exercised in two equal parts, cumulative if the beneficiary so wishes, during the fourth and fifth years after 1 July 2018, inclusive. However, in the case of an employee's contract being terminated for reasons without just cause or if it is the beneficiary's own will, the options may be proportionally exercised six months following the event in question in the cases of death, retirement, early retirement or permanent disability, and after 30 days in all other cases
- e. For the execution by each beneficiary of the options that have been assigned to them, it will be required that the operational, financial and sustainability-related performance of the ACS Group during the period 2018-2020 exceed the average parameters of the main comparable companies on the market and, for this purpose, a selection has been made of the listed companies that compete in the same markets as the ACS Group (Europe, the Americas and Australia), with capitalisation greater than EUR 1,000 million and whose international sales exceed 15% of their total revenue. In order for the options to be exercised by the beneficiaries, the following two criteria are established, one of which is financial in nature and the other non-financial, and with different weightings:
  1. Financial criterion with a weighting of 85%: ROE: The objective set is to exceed average profitability in the sector over the period 2018-2020. If the ACS figure exceeds the sector average, 100% of the options foreseen will be allocated. If the ACS figure does not exceed the 25th percentile of the sector sample, 50% of the options will be allocated, with intermediate positions weighted proportionally between 50% and 85%. This criterion has already been met since the ACS's average ROE for the period 2018-2020 was 19.6% compared to 10.5% of the adjusted average of the sector (without considering companies with losses).
  2. A non-financial criterion with a weighting of 15%: Sustainability: The objective set is to exceed for at least two years the 60th percentile in the world ranking table produced annually by RobecoSAM for the Dow Jones Sustainability Index. This criterion has also been met because ACS has been included in the DJSI World Index in the last two years.
  3. Tax withholdings and the taxes payable as a result of exercising the share options will be borne exclusively by the beneficiaries.

The stock market price of ACS shares at 31 December 2021 and 2020 was EUR 23,570 and EUR 27,150 per share, respectively.

The commitments arising from these plans are hedged through financial institutions (see Note 22). In relation to plans described above, the share options are to be settled through equity instruments and never in cash. However, since the Parent Company has hedged the commitments arising from these plans with a financial institution, their settlement will not involve, under any circumstances, the issue of equity instruments in addition to those outstanding as at 31 December 2021. In 2021, EUR 4,471 thousand (see Note 28.02) (EUR 4,471 thousand in 2020) related to share-based remuneration were recognised as personnel expenses in the consolidated income statement, with a balancing entry in equity. To calculate the total cost of the above share plans, the Parent Company considered the finance cost of the shares on the date on which the plan was granted based on the futures curve on the notional value of each of them, the

effect of the estimated future dividends during the period of the plans, and the put value granted to the financial institution by applying the Black-Scholes formula. This cost is distributed over the vesting years of the plan.

## **HOCHTIEF**

Within the Hochtief Group, there are also share-based payment remuneration systems for the Group's management. All of these share option plans form part of the remuneration system for senior executives of Hochtief, and long-term incentive plans. The total amount provisioned for these share-based payment plans at 31 December 2021 is EUR 6,682 thousand (EUR 8,356 thousand at 31 December 2020). EUR 765 thousand (EUR 985 thousand in 2020) were taken to the consolidated income statement in this connection in 2021. To hedge the risk of exposure to changes in the market price of the Hochtief shares, it has a number of derivatives that are not considered to be accounting hedges.

The following share-based remuneration plans were in force for executives of Hochtief, A.G. and its investees in 2021:

### **Long-term Incentive Plan 2017**

The Long-term Incentive Plan 2017 (LTIP 2017) was launched in that same year by resolution of the Supervisory Board and is open to Executive Board members and certain executives. This plan is based on performance share awards (PSA).

The terms and conditions stipulate that for each performance share award (PSA) exercised within an exercise period of two years after a waiting period of three years, entitled individuals receive from the issuer a payment equal to the closing price of Hochtief shares on the last trading day on the stock markets before the exercise date, plus a performance bonus. The amount of this bonus depends on the adjusted available cash flow existing in the last full year prior to the exercise date.

The gain is limited to EUR 514.62 per PSA.

### **Long-term Incentive Plan 2018**

The Long-term Incentive Plan 2018 (LTIP 2018) was launched in that same year by resolution of the Supervisory Board and is open to Executive Board members and certain executives. This plan is based on performance share awards (PSA).

The terms and conditions stipulate that for each performance share award (PSA) exercised within an exercise period of two years after a waiting period of three years, entitled holders receive from the issuer a payment equal to the closing price of Hochtief shares on the last trading day on the stock markets before the exercise date, plus a performance bonus. The amount of this bonus depends on the applicable effective performance indicator for each company in the last full year prior to the exercise date. The performance bonus for Executive Board members and executives of Hochtief, A.G. depends on the adjusted available cash flow.

The gain is limited to EUR 533.70 per PSA.

### **Long-term Incentive Plan 2019**

The Long-term Incentive Plan 2019 (LTIP 2019) was launched in that same year by resolution of the Supervisory Board and is open to Executive Board members and certain executives. This plan is based on performance share awards (PSA).

The terms and conditions stipulate that for each performance share award (PSA) exercised within an exercise period of two years after a waiting period of three years, entitled holders receive from the issuer a payment equal to the closing price of Hochtief shares on the last trading day on the stock markets before the exercise date, plus a performance bonus. The amount of this bonus depends on the applicable effective performance indicator for each company in the last full year prior to the exercise date. The performance

bonus for Executive Board members and executives of Hochtief, A.G. depends on the adjusted available cash flow.

The gain is limited to EUR 477.12 per PSA.

### Long-term Incentive Plan 2021

The Long-term Incentive Plan 2021 (LTIP 2021) was launched in that same year by resolution of the Supervisory Board and is open to Executive Board members and certain executives. This plan is based on performance share awards (PSA).

The terms and conditions stipulate that for each performance share award (PSA) exercised within an exercise period of two years after a waiting period of three years, entitled holders receive from the issuer a payment equal to the closing price of Hochtief shares on the last trading day on the stock markets before the exercise date, plus a performance bonus. The amount of this bonus depends on the applicable effective performance indicator for each company over the last three years prior to the exercise date. The performance bonus for Executive Board members and executives of Hochtief, A.G. depends on the adjusted available cash flow in the last full year prior to the exercise date.

The gain is limited to EUR 292.95 per PSA.

The terms and conditions of all plans stipulate that, when this right is exercised—and subject to fulfilment of all other requisite criteria—Hochtief, A.G. normally has the option of delivering Hochtief shares instead of paying out the gain in cash. When the entitled individuals are not employees of Hochtief, A.G., the expenses incurred on exercise are borne by the investee concerned.

The amounts granted, expired and exercised under the plans to date are as follows:

|                                      | Originally granted | Outstanding at 31 Dec 2020 | Granted in 2021 | Expired in 2021 | Exercised / settled in 2021 | Outstanding at 31 Dec 2021 |
|--------------------------------------|--------------------|----------------------------|-----------------|-----------------|-----------------------------|----------------------------|
| LTIP 2017 – performance stock awards | 20,081             | 16,181                     | —               | —               | 13,981                      | 2,200                      |
| LTIP 2018 – performance stock awards | 20,069             | 20,069                     | —               | —               | 2,450                       | 17,619                     |
| LTIP 2019 – performance stock awards | 21,485             | 21,485                     | —               | 300             | —                           | 21,185                     |
| LTIP 2019 – performance stock awards | —                  | —                          | 12,857          | —               | —                           | 12,857                     |

Provisions recognised for the share-based payment plans totalled EUR 6,682 thousand at the reporting date (EUR 8,356 thousand in 2020). The total expense recognised for these plans in 2021 amounted to EUR 765 thousand (EUR 985 thousand in 2020). The intrinsic value of options to be exercised at the end of the reporting period was EUR 1,321 thousand (EUR 1,309 thousand in 2020).

### 28.04. Changes in the fair value of financial instruments

This heading includes the effect on the consolidated income statement of derivative instruments that do not meet the efficiency criteria provided in IAS 39, or that are not hedging instruments. The most significant effect in 2021 relates to derivatives on ACS, Actividades de Construcción y Servicios, S.A. share options, which gave rise to a loss of EUR 45,142 thousand (a loss of EUR 106,773 thousand in 2020), as described in Note 11. Additionally, this heading reflects the negative effect associated with the derivatives on ACS shares (forward contracts settled by differences), which resulted in a loss of EUR 48,321 thousand (a profit of EUR 181,366 thousand in 2020 relating to reverse collars) (see Note 22).

In addition, 2020 reflects the effect of changes in the value of the shares of Masmovil, which resulted in a profit of EUR 7,560 thousand.

### 28.05. Financial costs

The breakdown of finance costs in 2021 and 2020 is as follows:

| Financial costs                                  | Millions of Euros | %          | Millions of Euros | %          |
|--|-------------------|------------|-------------------|------------|
|  | 2021              |            | 2020 ( * )        |            |
| Debt-related financial expenses                  | 268.7             | 74         | 244.1             | 65         |
| Financial expenses for Collateral and Guarantees | 26.9              | 7          | 29.9              | 8          |
| Other financial expenses                         | 66.9              | 19         | 102.7             | 27         |
| <b>Total</b>                                     | <b>362.5</b>      | <b>100</b> | <b>376.7</b>      | <b>100</b> |

( \* ) Restated.

The ordinary financial expense increased due to less finance income mainly as a result of a lower average cash balance during the year with reduced rates. Finance costs include factoring expenses.

### 29. Impairment and gains or losses on the disposal of non-current assets and financial instruments and Other gains or losses

The breakdown of "Impairment and gains or losses on the disposal of non-current assets" in 2021 and 2020 is as follows:

|                                       | Thousands of Euros |                  |
|---------------------------------------|--------------------|------------------|
|                                       | 2021               | 2020 ( * )       |
| Impairment / Reversal of assets       | (298,586)          | (26,804)         |
| Gains or losses on disposal of assets | 98,944             | 1,103,874        |
| <b>Total</b>                          | <b>(199,642)</b>   | <b>1,077,070</b> |

( \* ) Restated.

In 2021, "Gains or losses on disposal of assets" includes the profit on the sale of the shares representing the entire share capital of Continental Rail, S.A.U. on 30 June 2021 for EUR 14.8 million to the French group CMA CGM, and the gain on the sale (see Note 02.02.f) of the transmission lines in Brazil, photovoltaic plants in Bonete and Galisteo, the Toledo Hospital, the public offering of Ventia's shares and the earn-out received in the year from the sale of Urbaser in 2016 for EUR 28 million. "Impairment / Reversal of assets" relates mainly to the provisions made as a result of the reassessment of the Group's operating risks at the end of 2021.

In 2020, the gains on the disposal of non-current assets mainly included the gain on the sale of 50% of Thiess and subsequent joint control with the partner Elliot by Cimic (see Note 02.02.f and Note 09) at the end of the year in the amount of EUR 1,111 million and the gain on the sale of the shadow toll roads (see Note 02.02.f).

The breakdown of "Impairment and gains or losses on the disposal of financial instruments" in 2021 and 2020 is as follows:

|  | Thousands of Euros |                |
|--|--------------------|----------------|
|  | 2021               | 2020 ( * )     |
| Impairment of financial instruments                  | 11,409             | 107,997        |
| Gains or losses on disposal of financial instruments | 2,858              | 3,414          |
| <b>Total</b>   | <b>14,267</b>      | <b>111,411</b> |

( \* ) Restated.



"Other results" in the consolidated income statement, which amounts to a loss of EUR 246,790 thousand in 2021 (profit of EUR 1,921 thousand in 2020), mainly includes amounts related to extraordinary work completed and indemnities or litigation relating to work completed with losses in previous years on various projects in Spain and abroad. This heading also includes restructuring costs and cost overruns that could not be recovered as a result of the pandemic in 2021.

### 30. Distribution of profit

As in previous years, at the date of the call notice of the Annual General Meeting, the Parent Company's Board of Directors agreed to propose an alternative remuneration system allowing shareholders to receive bonus shares of the Company, or cash through the sale of the corresponding bonus issue rights. This option would be instrumented through a bonus issue, which will be subject to approval by the shareholders at the Company's General Meeting. In the event that it is approved, the bonus issue could be executed by the Board of Directors on up to two occasions, in July and in the first few months of the following year, coinciding with the times when dividends are customarily paid. During the execution of each bonus issue, each shareholder of the Company receives a bonus issue right for each share. The rights received will be traded on the Madrid, Barcelona, Bilbao and Valencia stock exchanges. Depending on the alternative chosen, shareholders would be able to either receive new bonus shares of the Company or sell their bonus issue rights on the market or sell them to the Company at a specific price calculated using the established formula.

The distribution of the profit for 2021 that the Board of Directors will propose for approval at the Annual General Meeting is the transfer to voluntary reserves of the profit for the year of ACS, Actividades de Construcción y Servicios, S.A., amounting to EUR 4,290,973 thousand.

### 31. Earnings per share from continuing and discontinued operations

#### 31.01. Basic earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to the Group by the weighted average number of ordinary shares outstanding during the year, excluding the average number of treasury shares held in the year.

Accordingly:

|  | 2021          | 2020 ( * )  | Change (%)      |
|--|---------------|-------------|-----------------|
| Net profit for the period (Thousands of Euros)   | 3,045,413     | 574,005     | 430.56          |
| Weighted average number of shares outstanding  | 283,680,866   | 293,847,994 | (3.46)          |
| Basic earnings per share (Euros)   | <b>10.74</b>  | <b>1.95</b> | <b>450.77</b>   |
| Diluted earnings per share (Euros)   | <b>10.74</b>  | <b>1.95</b> | <b>450.77</b>   |
| Profit after tax and non-controlling interests from discontinued operations (Thousands of Euros) | 3,946,764     | 244,158     | 1,516.48        |
| Basic earnings per share from discontinued operations (Euros)                                    | 13.91         | 0.83        | 1,575.90        |
| Basic earnings per share from continuing operations (Euros)                                      | <b>(3.18)</b> | <b>1.12</b> | <b>(383.93)</b> |
| Diluted earnings per share from discontinued operations (Euros)                                  | 13.91         | 0.83        | 1,575.90        |
| Diluted earnings per share from continuing operations (Euros)                                    | <b>(3.18)</b> | <b>1.12</b> | <b>(383.93)</b> |

( \* ) Restated.

|  | Number of shares |              |
|--|------------------|--------------|
|  | 2021             | 2020         |
| Common shares outstanding at 01 January                      | 285,059,953      | 303,278,348  |
| Effect of own shares   | (9,272,035)      | (18,218,395) |
| Effect of shares issued                                      | 10,897,723       | 14,276,225   |
| Effect of redeemed shares                                    | (10,897,723)     | (14,276,225) |
| Common shares outstanding at 31 December                     | 275,787,918      | 285,059,953  |
| Weighted average number of shares outstanding at 31 December | 283,680,866      | 293,847,994  |

### 31.02. Diluted earnings per share

In calculating diluted earnings per share, the amount of profit attributable to ordinary shareholders and the weighted average number of shares outstanding, net of treasury shares, are adjusted to take into account all the dilutive effects inherent to potential ordinary shares (share options, warrants and convertible debt instruments). For these purposes, it is considered that the shares are converted at the beginning of the year or at the date of issue of the potential ordinary shares, if the latter were issued during the current period. The ACS share option plan currently in force (see Note 28.03) does not involve the issuance of new shares in the future and, therefore, does not affect diluted earnings per share. As at 31 December 2021, as a result of the simultaneous capital increase and reduction in 2022, for the same number of shares, the basic earnings and diluted earnings per share for continuing operations for 2021 are the same.

## 32. Events after the reporting date

On 3 January 2022, ACS, Actividades de Construcción y Servicios, S.A. agreed to carry out the second capital increase with a charge to reserves approved by the shareholders at the Annual General Meeting held on 7 May 2021. The purpose of the capital increase is to implement a flexible formula for shareholder remuneration ("optional dividend"), so that shareholders may choose to continue to receive cash remuneration or to receive new shares in the Company.

Furthermore, the Company agreed to carry out the second capital reduction through the retirement of treasury shares, which was approved at the same General Meeting, for a maximum amount equal to the amount by which the share capital was actually increased as a result of the second capital increase referred to in the previous paragraph.

ACS, Actividades de Construcción y Servicios, S.A. agreed to purchase from its shareholders the bonus issue rights corresponding to this second capital increase at a price that was set at a fixed gross amount of EUR 0.468 for each right.

After the negotiation period for the bonus issue rights corresponding to the second bonus issue, the irrevocable commitment to purchase rights assumed by ACS was accepted by the holders of 40.28% of the bonus issue rights. After the decision-making period granted to the shareholders had elapsed, in January 2022 the following events took place:

- The dividend was determined to be a total gross amount of EUR 57,425,748.12 (EUR 0.468 per share) and was paid on 1 February 2022.
- The number of final shares subject to the capital increase was 3,047,466 for a nominal amount of EUR 1,523,733.00, which were redeemed simultaneously for the same amount (see Note 15.05).

On 24 January 2022, in accordance with the resolution passed at the Annual General Meeting held on 7 May 2021, the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A. agreed to reduce share capital, with a charge to profit or unrestricted reserves, through the retirement of the Company's treasury shares for a nominal amount of EUR 5 million through the retirement of 10 million ACS treasury

shares, making the corresponding provision with a charge to reserves as indicated in section 335.e) Corporate Enterprises Act.

On 23 February 2022, Hochtief, the majority shareholder of Cimic with a 78.58% interest, announced its intent to carry out an off-market takeover bid, which would be unconditional and final (unless a counter-offer is submitted by a third party), to acquire the remaining shares of Cimic for AUD 22 per share. Cimic's shareholders that accept the offer will receive payment in cash within five business days of acceptance.

Russia began its invasion of Ukraine on 24 February 2022. To date this has had limited or no impact on the Group in terms of its business activities, as it does not have a presence in the territories or geographical areas concerned. However, given the current uncertainty in the markets, which has worsened the situation of the commodities market and resulted in an energy crisis that has driven up the price of the main energy sources, Group management is constantly analysing and monitoring the effects that this increase in raw materials may have.

### 33. Related party transactions and balances

Transactions between the Parent and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this Note. Transactions between the Group and its associates are disclosed below. Transactions between the Parent and its subsidiaries and associates are disclosed in the Parent's separate financial statements.

The Group companies perform all of their transactions with related parties on an arm's length basis. Also, the transfer prices are adequately supported and, therefore, the Parent Company's directors consider that there are no material risks in this connection that might give rise to significant liabilities in the future.

#### 33.01. Transactions with associates

During the year, the Group companies performed the following transactions with related parties that do not form part of the Group:

|                                | Thousands of Euros |         |
|--------------------------------|--------------------|---------|
|                                | 2021               | 2020    |
| Sale of goods and services     | 109,937            | 109,680 |
| Purchase of goods and services | (63)               | 229     |
| Accounts receivable            | 321,351            | 448,005 |
| Accounts payable               | 134,072            | 95,759  |

Transactions between related parties are carried under normal market conditions.

#### 33.02. Related party transactions and balances

The following information relating to transactions with related parties is disclosed in accordance with the Spanish Ministry of Economy and Finance Order EHA/3050/2004, of 15 September, and applied through the Spanish National Securities Market Commission (CNMV).

## Transactions between individuals, companies or Group entities related to Group shareholders or directors

The following transactions were performed in 2021:

| 2021 Related transactions<br>Management or collaboration contracts | Directors and executives | Other related parties |        |       | Total |
|--|--------------------------|-----------------------|--------|-------|-------|
|  |                          | Fidalsar, S.L.        | Others | Total |       |
| Thousands of Euros   |                          |                       |        |       |       |
| Services received  | —                        | 65                    | 1      | 66    | 66    |
| <b>Expenses</b>  | —                        | 65                    | 1      | 66    | 66    |
| Services rendered  | —                        | —                     | 212    | 212   | 212   |
| <b>Income</b>  | —                        | —                     | 212    | 212   | 212   |

| 2021 Related transactions<br>Other transactions                | Other related parties |                  |         |
|--|-----------------------|------------------|---------|
|  | Banco Sabadell        | Fapin Mobi, S.L. | Total   |
| Thousands of Euros   |                       |                  |         |
| Financing agreements: loans and capital contributions (lender) | 415,452               | —                | 415,452 |
| Dividends and other profit distributed                         | —                     | 1,206            | 1,206   |

The following transactions were performed in 2020:

| 2020 Related transactions<br>Management or collaboration contracts | Directors and executives | Other related parties |                |        |       | Total |
|--|--------------------------|-----------------------|----------------|--------|-------|-------|
|  |                          | Fidalsar, S.L.        | Vedelobo, S.L. | Others | Total |       |
| Thousands of Euros   |                          |                       |                |        |       |       |
| Leases   | —                        | 40                    | —              | —      | 40    | 40    |
| Services received  | —                        | 104                   | 10             | —      | 114   | 114   |
| <b>Expenses</b>  | —                        | 144                   | 10             | —      | 154   | 154   |
| Services rendered  | —                        | —                     | 32             | 238    | 270   | 270   |
| <b>Income</b>  | —                        | —                     | 32             | 238    | 270   | 270   |

| 2020 Related transactions<br>Other transactions                | Other related parties |                  |         |
|--|-----------------------|------------------|---------|
|  | Banco Sabadell        | Fapin Mobi, S.L. | Total   |
| Thousands of Euros   |                       |                  |         |
| Financing agreements: loans and capital contributions (lender) | 413,416               | —                | 413,416 |
| Dividends and other profit distributed                         | —                     | 1,166            | 1,166   |

The transactions with other related parties are listed due to the relationship of certain board members of ACS, Actividades de Construcción y Servicios, S.A. with companies in which they are either shareholders or senior executives. The transactions with Fidalsar, S.L. and Fapin Mobi, S.L. are listed due to the relationship of the Board member Pedro Lopez Jimenez with these companies. The transactions with Banco Sabadell were detailed due to the relationship of Board member Javier Echenique until he ceased to hold the position of Vice President at that Bank in July 2021.

"Other transactions" included all transactions not related to the specific sections included in the periodic public information reported in accordance with the regulations published by the CNMV.

All these commercial transactions were carried out on an arm's length basis in the ordinary course of business, and related to ordinary Group company transactions.

Transactions between companies forming part of the consolidated ACS Group were eliminated in the consolidation process and form part of the ordinary business conducted by these companies in terms of their purpose and contractual conditions. Transactions are carried out on an arm's length basis and disclosure is not required to present a true and fair view of the Group's equity, financial situation and results.

### 34. Board of Directors and senior executives

The Board members of ACS, Actividades de Construcción y Servicios, S.A. received the following remuneration either as members of the Board of Directors of the Parent Company or members of the Board or senior executives of Group companies:

|   | Thousands of Euros |               |
|---|--------------------|---------------|
|   | 2021               | 2020          |
| Remuneration for membership of the Board and / or Commissions | 3,760              | 3,769         |
| Wages   | 4,766              | 6,347         |
| Variable cash remuneration                                    | 5,558              | 4,404         |
| <b>Total</b>  | <b>14,084</b>      | <b>14,520</b> |

The amount charged to the consolidated income statement in relation to share options granted in 2018 to members of the Board of Directors with executive duties was EUR 457 thousand (EUR 457 thousand in 2020). This amount relates to the proportion of the value of the plan at the date on which it was granted.

The amounts paid to Board members relating to mutual funds, pension plans and life insurance at 31 December 2021 and 2020 are as follows:

|                           | Thousands of Euros |              |
|---------------------------|--------------------|--------------|
|                           | 2021               | 2020         |
| Long-term savings systems | 3,252              | 4,413        |
| Other concepts            | 33                 | 33           |
| <b>Total</b>              | <b>3,285</b>       | <b>4,446</b> |

The ACS Group does not have any balances with and has not granted any advances, loans or guarantees to any of the Board members at 31 December 2021 and 2020.

#### 34.01. Transactions with members of the Board of Directors

The transactions with members of the Board of Directors or with companies in which they have an ownership interest giving rise to a relation with the ACS Group are indicated in Note 33.02 on transactions with related parties.

#### 34.02. Remuneration of senior executives

The remuneration of the Group's senior executives, who are not executive directors, for the periods ended 31 December 2021 and 2020, was as follows:

|  | Thousands of Euros |        |
|--|--------------------|--------|
|  | 2021               | 2020   |
| Salary remuneration (fixed and variable) | 23,526             | 35,777 |
| Pension plans                            | 2,067              | 2,610  |
| Life insurances                          | 41                 | 59     |

The reduction between periods is mainly due to the sale of most of the Industrial Services Division in 2021, which has led to a decrease of EUR 9,487 thousand in the amounts received due to the departure of executives belonging to this Division. The amounts recognised in the consolidated income statement in 2021 as a result of the share options granted to the Group's senior executives in July 2018 amounted to EUR 4,014 thousand (EUR 4,014 thousand in 2020) and are not included in the above remuneration. Similarly, as indicated in the case of directors, these amounts relate to the proportion of the value of the plan on the date it was granted.

The ACS Group does not have any balances with and has not granted any advances, loans or guarantees to any of the senior executives at 31 December 2021 and 2020.

### 35. Other disclosures concerning the Board of Directors

In accordance with the information held by the Company, no direct or indirect conflicts of interest arise with the Company as set out in applicable regulations (currently in accordance with that established in section 229 Corporate Enterprises Act), all without prejudice to the information on related party transactions reflected in the notes to the financial statements. The amount corresponding to the premiums for the third-party liability insurance taken out on behalf of the Parent Company's directors, among others, amounted to EUR 2,648 thousand in 2021 (EUR 2,291 thousand in 2020).

In 2021 and 2020, the Company had commercial relationships with companies in which some of their directors perform management functions. All these commercial relationships were carried out on an arm's-length basis in the ordinary course of business, and related to ordinary Company transactions.

### 36. Guarantee commitments to third parties and other contingent liabilities

#### 36.01. Guarantee commitments to third parties

As at 31 December 2021, the ACS Group had provided guarantees and sureties to third parties in connection with its business activities totalling EUR 20,925,586 thousand (EUR 23,992,861 thousand at 31 December 2020), most of which are due to the inclusion of the bonding lines held by Dragados and Hochtief for carrying out their activities in the United States. The limit of the guarantees and sureties granted to third parties at 31 December 2021 amounted to EUR 26,822,795 thousand (EUR 31,976,567 thousand at 31 December 2020).

The item-by-item detail of the amounts arranged for these lines is as follows:

|  | Thousands of Euros |                   |
|--|--------------------|-------------------|
|  | Disposed           |                   |
|  | 31/12/2021         | 31/12/2020        |
| Technical guarantees                                   | 6,852,857          | 8,449,339         |
| Financial guarantees                                   | 322,396            | 1,889,390         |
| Guarantees and guarantees in relation to Bonding Lines | 13,750,333         | 13,359,190        |
| Others   | —                  | 294,942           |
| <b>Total</b>   | <b>20,925,586</b>  | <b>23,992,861</b> |

The financial guarantees amounting to EUR 322 million (EUR 1,889 million at 31 December 2020) include EUR 126 million for progress guarantees (EUR 540 million at 31 December 2020), EUR 90 million correspond to capital contribution commitments for projects (EUR 117 million at 31 December 2020), with the remaining EUR 106 million corresponding to other financial guarantees (EUR 195 million at 31 December 2020). The reduction in financial guarantees between years is due to the execution or performance guarantees amounting to EUR 1,037 million that came from the companies of the Industrial Services Division sold in 2021.

The guarantees and sureties in relation to the bonding lines mentioned in the table above correspond to the guarantee of execution of the projects and operations carried out by ACS Group companies in the United States, Canada and the United Kingdom signed with various insurance companies.

The above amounts include the guarantees granted by Cimic on the sale of Thies to Elliot (as described in Note 02.02.f). The ACS Group has recognised as a derivative financial instrument the value of the put option for Elliott to sell all or part of its 50% interest in Thies to Cimic after the third year, i.e., four to six years after the sale on 31 December 2020. The fair value of the option at 31 December 2021 (see Note 22) amounts to EUR 8.3 million (AUD 13 million). At 31 December 2020, the fair value of the option (see Note 22) was EUR 8.2 million (AUD 13.0 million).

The ACS Group's directors do not expect any material liabilities additional to those recognised in the accompanying consolidated statement of financial position to arise as a result of the transactions described in this Note. The contingent liabilities include the ordinary liability of the companies with which the Group carries out its business activities. Normal liability is that related to compliance with the contractual obligations assumed in the course of the construction or maintenance services or assistance to people, both by the companies themselves or the unincorporated joint ventures in which they have interests.

This coverage is achieved by means of the corresponding guarantees provided to secure the performance of the contracts, compliance with the obligations assumed in the concession agreements, etc.

All of the project financing, including that under "Non-current assets in projects" and that under "Non-current assets held for sale and discontinued operations" in the accompanying consolidated statement of financial position, whether fully consolidated or accounted for using the equity method, has construction guarantees until the project enters into service.

In this connection, the Group, in its construction activity, has income recognition policies in place based on the certainty of collection, in accordance with the contractual terms and conditions of the agreements it executes. However, there are certain outstanding balances receivable that are under dispute with the corresponding customers or even, particularly as regards international works, which require certain experts necessary to intermediate as arbitration processes have commenced to resolve such disputes. This includes the provision made by Cimic in the amount of AUD 675 million, equivalent to EUR 432 million at 31 December 2021 (AUD 675 million, equivalent to EUR 419 million at 31 December 2020). This provision was not used in either 2021 or 2020.

### 36.02. Other contingent liabilities

In the course of its activities, the ACS Group is subject to contingent liabilities of various type is that arise from litigation or administrative proceedings. It is reasonable to consider that these will not have a material effect on the economic and financial situation or on the solvency of the Group, and provisions have been made insofar as they may have a material adverse effect.

**Both the investment of the ACS Group in Alazor (highways R3 and R5) and the accounts receivable for Alazor** have been fully provided for in the Consolidated Annual Accounts of the ACS Group for 2021 and 2020.

As regards the claim for declaratory judgment filed by the financial institutions and notified to the shareholders in October 2013, it should be noted that, after withdrawing in September 2018 the appeal they had filed against the dismissal of the appeal, the Funds acquiring the loans filed a new claim for declaratory judgment, which was notified to ACS, Actividades de Construcción y Servicios, S.A. and Desarrollo de Concesiones Viarias Uno, S.L. in January 2019, in which they invoke clause two of the Shareholders' Support Agreement to claim payment of EUR 757 million from the shareholders of Alazor and their respective guarantors (EUR 169 million would correspond to the ACS Group). After the corresponding preliminary hearing was held before the Madrid Court of First Instance No. 13 (held on 8 March 2021), and the first hearing took place on 29 November 2021, it was suspended due to illness and has been rescheduled for 4 July 2022.

As regards the claim for enforcement proceedings notified in February 2014, based on clause four (viii) of the Shareholders' Support Agreement, after the enforcement order was rendered null and void and the EUR 278.37 million deposited in the Court's account (of which EUR 87.85 million correspond to the ACS Group) were returned, the Shareholders have claimed as compensation for the harm and loss caused. In view of the opposition of the Funds, the Madrid Court of First Instance no. 51, after appointing a court-appointed expert and holding an hearing (held on 10 March 2021), upheld the Shareholders' claims by order dated 11 March 2021, recognising a total indemnity payment of EUR 26.19 million (EUR 11.3 million corresponding to the ACS Group) and ordering the Funds to pay the costs. The Funds have filed an appeal against this order, and a ruling will be handed down by the Madrid Provincial Appellate Court.

In May 2019, ACS, Actividades de Construcción y Servicios, S.A. and Desarrollo de Concesiones Viarias Uno, S.L. were notified of a second claim based on clause four (viii) of the Support Agreement, although this time it was a claim for declaratory judgment. In this claim Haitong Bank S.A. Sucursal en España, acting as agent of the financial syndicate, claimed payment of EUR 562.5 million. This claim was upheld by the Madrid Court of First Instance No. 26 by means of a judgment dated 2 November 2021 (notified on 4 November 2021), in which Alazor's shareholders and their respective guarantors are ordered to pay Haitong Bank, for subsequent distribution among the creditors, the following: (i) an amount of EUR 450 million (resulting from subtracting from the total amount claimed the EUR 112.5 million corresponding to Bankia, with which the claimants entered into an out-of-court agreement); (ii) the interest applied to procedural delays accrued since 21 December 2018; (iii) the procedural default interest from the date of the judgment; and (iv) the costs. This judgment distributes the amount claimed among each defendant, indicating that the shareholder Desarrollo de Concesiones Viarias Uno, S.L. and its guarantor ACS, Actividades de Construcción y Servicios, S.A. must pay EUR 132,880,130 plus interest, and one fourth of the costs.

A remedy of appeal was filed against this judgment on 20 December 2021, and a ruling must be handed down by the Madrid Provincial Appellate Court. It should be noted that, once the Court of First Instance considers this appeal to have been filed, Haitong Bank may request the provisional enforcement of the judgment and, if it is granted leave to proceed by the Court, it will issue an enforcement order indicating that each of the entities is ordered to deposit or designate assets for an amount equivalent to the portion of the principal corresponding to them and recognise a provision for interest and costs, which is usually calculated at 30% of the principal (in the case of the ACS Group we are talking about approximately EUR 173 million). In this case, the disputed parties will try to request the stay of the order, proving that the damage caused by the provisional enforcement would be difficult to repair if the appeal is successful.

**In relation to the ACS Group's investment in Irasa (R2 highway)**, it should be noted that in September 2019 ACS, Actividades de Construcción y Servicios, S.A., and Desarrollo de Concesiones Viarias Uno, S.L.



were notified that the creditor funds had filed a declaratory judgment action in which, invoking clause two of the Shareholders' Commitment Agreement, they demanded payment from the shareholders of Irasa and their respective guarantors of a total of EUR 551.50 million (EUR 193 million would correspond to the ACS Group) to cover construction and expropriation costs. After having submitted a statement of defence and holding the preliminary hearing on 7 February 2022, the Madrid Court of First Instance No. 37 has set the dates for the hearing for 23 and 24 May 2022.

**The insolvency proceedings of Henarsa, Irasa, Accesos de Madrid and Alazor** were all declared to be unforeseen. The Henarsa and Accesos de Madrid trustees in bankruptcy handed over the operation of the R2, R3 and R5 highways to the State in documents dated 28 February and 9 May 2018, respectively, and they are being managed by the Ministry of Transport, Mobility and Urban Agenda through SEITTSA — the state-owned land transport infrastructure company — under an agreement signed in August 2017, which was extended in 2018 until 2022, and it is assumed that it will be extended again.

**In relation to the concession agreement for the Lima Metro Line 2 Project in Peru, the concession operator Metro de Lima Línea 2, S.A.** (in which Iridium Concesiones de Infraestructuras, S.A. holds a 25% interest) filed the following requests for arbitration:

ICSID Arbitration 1: On 16 January 2017, a request for arbitration against the Republic of Peru (Ministry of Transport and Communications) before the International Centre for Settlement of Investment Disputes between States and Nationals of other States ("ICSID") for serious breach by the Republic of Peru of the concession agreement mainly consisting of: (i) the failure by the Concession Area to make delivery under the terms and conditions established in the concession agreement, and (ii) the lack of approval and delayed approval of the Detailed Engineering Studies ("ICSID 1").

In 2018, several briefs were filed requesting an extension of the term of execution of the Project works and compensation for damages in excess of USD 700 million, which include damages incurred by different participants in the Project (concession operator, construction group, rolling stock supplier, etc.). The Republic of Peru dismissed the claims made and included a counterclaim against the concession operator, claiming an amount in excess of USD 700 million for socio-economic and environmental damage.

Both the claim brought by the concession operator against Peru and the counterclaim by Peru against the concession operator have been consolidated into a single arbitration process with the ICSID. The process has followed its normal course: in the first half of May 2019, the evidentiary hearing was held in Washington, where various witnesses gave their testimony, two rounds of briefs were presented during June and July 2019 in relation to issues raised during the evidentiary hearing, and final pleadings were presented by both the concession operator and the State of Peru on 20 September 2019.

On 6 July 2021, the Court issued a partial award through the "Decision on Jurisdiction and Liability", which dismissed the counterclaim of the Republic of Peru and upheld virtually all of the claims of the concession operator, with the final award yet to be handed down on the amount of damages and costs of the proceedings. In particular, the Decision declares that (1) the Republic of Peru has breached its obligation to deliver most of the Areas of Stage 1A and all of the Areas of Stages 1B and 2 within the periods agreed, and (2) the Republic of Peru has breached its contractual obligations regarding the procedure for overseeing and approving the Detailed Engineering Studies, and that the Republic of Peru has failed to properly exercise its contractual supervisory role. As regards damages due to delays, the claim for damages due to delays in relation to Stages 2 and 1B is fully upheld and partially upheld for Stage 1. On 11 August 2021, the Court issued Procedural Order No. 8 instructing the experts of the concession operator and of Peru to perform additional calculations based on the findings set forth in the Decision. On 11 October 2021, following the Court's procedural order, based on the delays determined by the Court in the Decision, the concession operator reduced its claim from USD 109.0 million to USD 84.7 million and the other members of the consortium other than the concession operator also made an adjustment to the damages initially claimed. On 30 December 2021, the concession grantor submitted to the Court its response to the concession operator's adjusted damage calculations, rejecting most of these damages and submitting much lower alternative calculations. On 31 January 2022, the Parties submitted a joint WACC Calculator to the Arbitral Tribunal and, subsequently, each party has submitted its own "instructions" for using the Calculator. The award for damages is expected to be issued in the first half of 2022.

**ICSID Arbitration 2:** On 2 August 2021, the concession operator filed a new request for arbitration against Peru with the ICSID Secretariat, following the expiration of the 6-month period for direct negotiations as required by the concession agreement. As in the case of ICSID 1, this claim is mainly for serious breach by the Republic of Peru of the Concession Agreement for (i) the failure by the Concession Area to make delivery, and (ii) the lack of approval and delayed approval of the Detailed Engineering Studies under the terms and conditions established in Addendum 2 to the Concession Agreement, and the updated cost overruns, and harm and loss incurred after the cut-off dates considered in ICSID 1 ("ICSID 2"). Once the various experts have been contracted, the definitive formation of the Arbitral Tribunal will take place once the President has been appointed.

**ICSID Arbitration 3:** On 15 November 2021, the concession operator filed a new request for arbitration against Peru with the ICSID Secretariat, following the expiration of the 6-month period for direct negotiations as required by the concession agreement. The claim filed against Peru is regarding the dispute over (i) the lack of approval of the Polynomial Formulas for the adjustment to the Work Progress and Provision Progress, (ii) the delay in the certification and payment of the adjustments arising from the application of these Polynomial Formulas, and (iii) the economic and financial loss due to the delay in payment of the adjustments ("ICSID 3"). Currently, the process of contracting experts and selecting arbiters is being completed.

**On 3 December 2015, the CNMC handed down a judgment in the proceedings against various companies, including Dragados, S.A., for alleged anti-competitive practices** in relation to the modular construction business. The amount of the decision, which totals EUR 8.6 million, was the subject of an appeal filed in 2016. On 12 November 2021, the National Appellate Court handed down a judgment dismissing the appeal and confirming the liquidated damages. On 17 January 2022, it was announced that an appeal would be filed with the Supreme Court against the judgment. The Group's Management considers that its potential effect will not be significant.

**On 1 October 2018, an accusation was brought against Dragados and other companies for possible infringements of section 1 of the Spanish Competition Law (Ley de Defensa de la Competencia) and Article 101 of the Treaty on the Functioning of the European Union**, consisting of agreements and exchanges of information between these companies in the field of tenders called by the various public authorities in Spain for the construction and refurbishment of infrastructures and buildings. On 16 July 2020, this accusation was declared to have exceeded its validity, although on 6 August 2020 a new accusation was brought in relation to the same facts as the expired accusation. On 16 September 2020, Dragados filed an appeal for judicial review against the ruling that decreed the expiration, which was admitted on 9 October 2020, with the claim being filed on 16 December 2020. On 6 July 2021, the Directorate of Competition of the CNMC issued a new preliminary ruling for the new accusation with proposed liquidated damages of EUR 58 million, indicating that the company could also be banned from entering into contracts with public authorities. The corresponding pleadings have been submitted against this preliminary ruling. The Group's Management considers that the final ruling on this matter is unlikely to have a significant effect on the company.

As regards the proceedings in progress described above, the directors, with the support of their legal advisors, do not expect any material liabilities additional to those recognised in the Consolidated Annual Accounts to arise from the transactions or the results of the proceedings described in this note.

### 37. Information on the environment

The ACS Group combines its business aims with the objective of protecting the environment and appropriately managing the expectations of its stakeholders in this area. The ACS Environmental Policy defines the general principles to be followed, but are sufficiently flexible to accommodate the elements of policy and planning development by the companies in the various business areas and meet the requirements of the most recent version of the ISO 14001 standard and other commitments assumed by the companies to other environmental standards, such as EMAS, or standards relating to their carbon footprint or water footprint. This Policy establishes the following commitments:

1. To comply with applicable regulations and standards in general and other voluntary commitments entered into in each of the offices, branches, projects, works and services of the ACS Group.

2. To prevent contamination, by assessing the potential environmental risks at every stage of a project, job or service, with the aim of designing processes that minimise environmental impact as far as possible.
3. To continuously improve management of environmental activities, by setting and following up on environmental goals.
4. To strive for transparency in external communications, by periodically publishing information about environmental initiatives to all stakeholders, meeting their demands and expectations, either in compliance with regulations or independently.
5. To enhance skills and raise awareness, by providing training and educational activities to employees, suppliers, customers and other stakeholders.

The significant level of implementation of an environmental management system, present in companies representing 95.7% of Group sales, is based on the objective of seeking adoption of the ISO 14001 standard in the majority of the Group's activities, which is implemented in 87.3% of the ACS Group's operations.

In order to implement and roll out a policy based on these environmental commitments, the most significant commitments are identified at the corporate level, based on their impact on the environment and external requirements, and are then compared with each company's management systems and the environmental priorities for each business activity.

Considering the environmental impacts identified, the main environmental activities of ACS Group companies will be specifically and operationally focused around four main areas.

1. Energy and emissions.
2. Circular economy.
3. Efficient and responsible use of water resources.
4. Biodiversity.

| <i>Key Management - Environment Indicators</i>              | 2021       | 2020 ( * ) |
|---|------------|------------|
| Water extraction (m3)                                       | 12,632,963 | 9,867,471  |
| Ratio: m3 water / Sales (€mn)                               | 218.5      | 94.9       |
| Direct emissions (Scope 1) (tCO2 equiv.)                    | 323,889    | 352,891    |
| Carbon Intensity Ratio Scope 1: Emissions / Sales (€mn)     | 12.1       | 13.2       |
| Indirect emissions (Scope 2) (tCO2 equiv.)                  | 103,637    | 92,466     |
| Carbon Intensity Ratio Scope 2: Emissions / Sales (€mn)     | 3.9        | 3.5        |
| Indirect emissions (Scope 3) (tCO2 equiv.)                  | 2,637,182  | 2,130,554  |
| Carbon Intensity Ratio Scope 3: Emissions / Sales (€mn)     | 98.3       | 79.6       |
| Total emissions (tCO2 equiv.)                               | 3,064,708  | 2,575,911  |
| Total Carbon Intensity Ratio: Total Emissions / Sales (€mn) | 114.2      | 96.2       |
| Non-hazardous waste sent for management (t)                 | 17,894,515 | 15,941,779 |
| Ratio: Tons of non-hazardous waste / Sales (€mn)            | 667.1      | 595.4      |
| Hazardous waste sent for management (t)                     | 400,895    | 358,311    |
| Ratio: Tons of hazardous waste / Sales (€mn)                | 14.9       | 13.4       |

( \* ) 2020 data recalculated based on the data scope and criteria reported in 2021

Overseeing the environmental activities of the ACS Group and implementing the planes of action and improvement programmes is the responsibility of the Environment Department of each group of companies;

these departments are also responsible for taking the measures necessary to reduce and mitigate the environmental impacts of the Group's activities.

Environmental expenses incurred in 2021 amounted to EUR 6,943 thousand (EUR 2,044 thousand in 2020).

### 38. Auditors' fees

The fees for financial audit services provided to the various companies in 2021 and 2020 were as follows:

|                                    | Thousands of Euros |               |
|------------------------------------|--------------------|---------------|
|                                    | 2021               | 2020          |
| <b>Audit service fees</b>          | <b>12,269</b>      | <b>11,483</b> |
| Main auditor                       | 7,721              | 7,143         |
| Other auditors                     | 4,548              | 4,340         |
| <b>Other verification services</b> | <b>639</b>         | <b>551</b>    |
| Main auditor                       | 639                | 551           |
| <b>Fees for tax services</b>       | <b>1,410</b>       | <b>2,042</b>  |
| Main auditor                       | 351                | 1,056         |
| Other auditors                     | 1,059              | 986           |
| <b>Other services</b>              | <b>2,055</b>       | <b>1,798</b>  |
| Main auditor                       | 394                | 457           |
| Other auditors                     | 1,661              | 1,341         |
| <b>Total</b>                       | <b>16,373</b>      | <b>15,874</b> |

The fees relating to audit services provided by KPMG Auditores, S.L. for the Annual Accounts amounted to EUR 1,953 thousand (EUR 1,817 thousand in 2020), while those relating to other verification services amounted to EUR 370 thousand (EUR 410 thousand in 2020) and the fees for other services amounted to EUR 30 thousand (EUR 10 thousand in 2020).

In the above table, amount of the other verification services for 2021 includes EUR 370 thousand for services provided by KPMG Auditors, S.L. (EUR 410 thousand in 2020). These services correspond to the limited review of the interim consolidated financial statements, the comfort letters and the ICFR Report, which must be presented by the auditors in accordance with applicable regulations.

Likewise, in the above table, the amount of other services for 2021 includes EUR 30 thousand for services provided by KPMG Auditors, S.L. (EUR 10 thousand in 2020). These services mainly correspond to reports on agreed procedures and compliance with covenants.

Furthermore, in relation to the lead auditor, "Other verification services" essentially include limited reviews of interim financial statements, services for issuing comfort letters services and other assurance work (ISAE 3000) provided to the Parent Company and the companies it controls. "Fees for tax services" mainly includes fees for advisory services regarding transfer pricing documentation, corporation taxes and indirect taxation. Finally, "Other services" mainly includes legal services, consultancy services and generally agreed-upon procedures.

# APPENDICES

As stated in Note 02 to the financial statements, Appendices I and II list the subsidiaries, unincorporated joint ventures and economic interest groupings of the ACS Group in 2021, including their registered office and the Group's effective percentage of ownership. The effective percentage indicated in the Appendices includes, in the event it is applicable to subsidiaries, the proportionate part of the treasury shares held by the subsidiary.

For the companies domiciled in the Group's four main countries — Spain, Germany, Australia and the United States —, covering about 86% of sales, a breakdown is provided for the registered office of the main headquarters or management office, expressly declared for income tax purposes in the country of residence (in particular, 'domicilio fiscal' in Spain, 'geschäftsanschrift' in Germany, 'business address of main business' in Australia and 'corporation's principal office' or 'place of business' in the United States). In the other countries, the registered office given is the address considered legally relevant in each case.

The information is grouped in accordance with the management criteria of the ACS Group on the basis of the different business segments or lines of business carried on. Note 25.01 explains the bases for segmentation and the reorganisation carried out in the year and their restatement for the purposes of comparison, in relation to the infrastructure and concessions businesses.

## 1. CORPORATION

In 2021 this mainly includes the activity of the Group's Parent Company, ACS, Actividades de Construcción y Servicios, S.A.

## 2. INFRASTRUCTURE

This area comprises the activities of:

### 2.1. CONSTRUCTION

Information is separated on the basis of the two companies heading this line of business:

- Dragados  
This includes both domestic and foreign activities relating to civil construction works (highways and roads, railways, hydraulic infrastructures, coasts and ports, etc.), and residential and non-residential buildings.
- Hochtief  
This segment includes the activities carried on by the different business segments of this company:
  - Hochtief Americas - Its activity is mainly carried on in the US and Canada and relates to the construction of buildings (public and private), infrastructures, civil engineering, and educational and sports facilities.
  - Hochtief Asia Pacific - Its activities are carried on by its Australian subsidiary Cimic, in particular construction, mining contracts (mainly through the Thiess joint venture), operation and maintenance activity, and development of real estate infrastructures.
  - Hochtief Europe - This segment mainly operates through Hochtief Solutions A.G., which designs, develops, constructs and operates infrastructure projects, real estate and facilities.

### 2.2. CONCESSIONS

- Iridium  
It carries out infrastructure promotion and development, both in relation to transport and public facilities, managing different public-private collaboration models.

- Abertis

This relates to the ACS Group's ownership interest in Abertis.

### **3. INDUSTRIAL SERVICES**

The area was dedicated to applied industrial engineering, developing activities of construction, operation and maintenance of energy, industrial and mobility infrastructures through an extensive group of companies headed by Grupo Cobra and Dragados Industrial. This area had a presence in more than 50 countries, with a predominant exposure to the Mexican and Spanish market despite the rapid growth in new Asian and Latin American countries. In 2021, most of this business area was sold to the Vinci Group and was therefore classified during the year as a discontinued operation (see Note 03.09.02).

### **4. SERVICES**

This area only includes Clece's business activity, which offers comprehensive maintenance services for buildings, public places and organisations, and assistance to people. This area is fundamentally based in Spain but also shows incipient growth in the European market. Although this segment does not meet the quantitative thresholds established in IFRS 8, the Group considers that it should be reported as a differentiated segment since the nature of the goods and services it provides is wholly differentiated and identifiable, it reports independently to the Group, and this presentation is considered to be more useful to the users of the financial statements.

## APPENDIX I

## Subsidiaries

| Company  | Registered Office  | % Effective Ownership |
|--|--|-----------------------|
| <b>PARENT</b>  |  |                       |
| <b>ACS, Actividades de Construcción y Servicios, S.A.</b>      | <b>Avda. de Pío XII, 102. 28036 Madrid. España.</b>                            |                       |
| Altomira Eólica, S.L.  | Cardenal Marcelo Spínola, 10. 28016 Madrid. España.                            | 100.00 %              |
| Andasol 4 Central Termosolar Cuatro, S.L.                      | Cardenal Marcelo Spínola, 10. 28016 Madrid. España.                            | 100.00 %              |
| Cariátide, S.A.  | Avda. de Pío XII, 102. 28036 Madrid. España.                                   | 100.00 %              |
| Comunidades Gestionadas, S.A.                                  | C/ Orense, 34-1º. 28020 Madrid. España.  | 100.00 %              |
| Funding Statement, S.A.  | Avda. de Pío XII, 102. 28036 Madrid. España.                                   | 100.00 %              |
| Infraestructuras Energéticas Medioambientales Extremeñas, S.L. | Polígono Industrial Las Capellanías. Parcela 238B. Cáceres. España.            | 100.00 %              |
| Nexplore, S.A.   | Avda. de Pío XII, 102. 28036 Madrid. España.                                   | 100.00 %              |
| Protíde, S.A. Unipersonal                                      | C/ Orense,34-1º 28020 Madrid - España  | 100.00 %              |
| Residencial Monte Carmelo, S.A.U.                              | Avda. de Pío XII, 102. 28036 Madrid. España.                                   | 100.00 %              |
| Statement Structure, S.A.                                      | Avda. de Pío XII, 102. 28036 Madrid. España.                                   | 100.00 %              |
| <b>INFRASTRUCTURES - DRAGADOS</b>                              |  |                       |
| <b>Dragados, S.A.</b>  | <b>Avda. del Camino de Santiago, 50. 28050 Madrid. España.</b>                 | <b>100.00 %</b>       |
| Apadil Armad. Plást. y Acces. de Iluminación, S.A.             | E.N. 249/4 Km 4.6 Trajouce. São Domingos de Rana. 2775, Portugal               | 100.00 %              |
| Aparcamiento Tramo C. Rambla-Coslada, S.L.                     | C/ Orense, 34-1º. 28020 Madrid. España.  | 100.00 %              |
| Besalco Dragados, S.A.   | Avda. Tajamar nº 183 piso 1º Las Condes. Santiago de Chile. Chile.             | 50.00 %               |
| Blue Clean Water, LLC.   | 150 Meadowlands Parkway, 2nd Fl.Seacaucus 07094. New Jersey. Estados Unidos.   | 76.40 %               |
| Consorcio Constructor Hospital de Quellón, S.A.                | Av. Tajamar, 183, depto P-5 Las Condes. Santiago de Chile. Chile.              | 49.99 %               |
| Consorcio Constructor Juzgado de Garantía de Osorno, S.A.      | Avda. Vitacura 2939, ofic. 2201. Las Condes. Santiago de Chile. Chile.         | 100.00 %              |
| Consorcio Constructor Puente Santa Elvira, S.A.                | Avenida Tajamar 183, piso 5. Las Condes.Santiago. Chile.                       | 49.99 %               |
| Consorcio Dragados Conpax Dos, S.A.                            | Avda. Vitacura 2939 ofic 2201. Las Condes.Santiago de Chile Chile              | 55.00 %               |
| Consorcio Dragados Conpax, S.A.                                | Avda. Vitacura 2939 ofic. 2201.Las Condes - Santiago de Chile. Chile.          | 60.00 %               |
| Consorcio Embalse Chironta, S.A.                               | Avda. Vitacura nº 2939. 2201 Las Condes. Santiago de Chile. Chile.             | 49.99 %               |
| Consorcio Teedra, S.A.   | Almirante Pastene, 244.702 Providencia. Santiago de Chile. Chile.              | 100.00 %              |
| Construcciones y Servicios del Egeo, S.A.                      | Alamanas,1 151 25 Maroussi.Atenas. Grecia.                                     | 100.00 %              |
| Drace Geocisa, S.A.  | Avda. del Camino de Santiago, 50. 28050 Madrid. España                         | 100.00 %              |
| Drace Infrastructures UK, Ltd.                                 | Regina House second floor, 1-5 Queen Street.Londres EC4N 15W. Reino Unido      | 100.00 %              |
| Drace Infrastructures USA, Llc.                                | 701 5 th Avenue, Suite 7170 Seattle, WA 98104.Washington. Estados Unidos.      | 100.00 %              |
| Dragados Australia PTY Ltd.                                    | Level 32, 101 Miller Street - North Sydney - 2060 - NSW. Sydney. Australia.    | 100.00 %              |
| Dragados Canadá, Inc.  | 150 King Street West, Suite 2103.Toronto ON. Canadá.                           | 100.00 %              |
| Dragados Construction USA, Inc.                                | 810 Seventh Ave. 9th Fl.New York, NY 10019. Estados Unidos.                    | 100.00 %              |
| Dragados CVV Constructora, S.A.                                | Avda. Vitacura 2939 of.2201.Las Condes.Santiago de Chile. Chile.               | 80.00 %               |
| Dragados Inversiones USA, S.L.                                 | Avda. Camino de Santiago, 50 - 28050 Madrid. España.                           | 100.00 %              |
| Dragados Ireland Limited                                       | 70 Sir John Rogerson's Quay, Dublin 2, D02R296. Dublin. Irlanda.               | 100.00 %              |
| Dragados Norge AS  | c/o Econ Partner AS, Dronning Mauds gate 15, 0250.. Oslo. Noruega.             | 100.00 %              |
| Dragados UK Ltd.   | Regina House 2Nd Floor, 1-5. Queen Street. EC4N 1SW-London-Reino Unido         | 100.00 %              |
| Dragados USA, Inc.   | 810 Seventh Ave. 9th Fl.New York, NY 10019. Estados Unidos.                    | 100.00 %              |
| Dycasa, S.A.   | Avda.Leandro N.Alem.986 Piso 4º.Buenos Aires Argentina.                        | 66.10 %               |
| Electren UK Limited  | Regina House 1-5 Queen Street.Londres. Reino Unido.                            | 100.00 %              |
| Electrén, S.A.   | Avda. del Brasil, 6. 28020 Madrid. España                                      | 100.00 %              |
| Gasoductos y Redes Gisca, S.A.                                 | C/ Orense, 6. 2ª Planta 28020 Madrid. España                                   | 52.50 %               |
| Geocisa UK Ltd.  | Chester House, Kennington Park, 1-3 Brixton Road. Londres SW9 6DE. Reino Unido | 100.00 %              |
| Geotecnia y Cimientos del Perú, S.A.C.                         | C/ El Santuario, 140, Dept. 303. Callao. Lima. Perú.                           | 100.00 %              |
| gGrav-can, Inc.  | 150 King Street West, Suite 2103.Toronto. Toronto. Canadá.                     | 100.00 %              |
| gGravity Engineering, S.A.                                     | Av. del Camino de Santiago, 50. 28050. Madrid. España.                         | 100.00 %              |
| gGravity, Inc.   | 810 Seventh Ave. 9th Fl., NY 10019. Nueva York. Estados Unidos.                | 100.00 %              |
| Inmobiliaria Alabega, S.A.                                     | C/ Orense, 34-1º. 28020 Madrid. España   | 100.00 %              |



## APPENDIX I

## Subsidiaries

| Company                             | Registered Office   | % Effective Ownership |
|-------------------------------------|---|-----------------------|
| J.F. White Contracting Company      | 10 Burr Street, Framingham, MA 01701. Estados Unidos.                             | 100.00 %              |
| John P. Picone Inc.                 | 31 Garden Lane. Lawrence.NY 11559 Estados Unidos.                                 | 100.00 %              |
| Lining Precast, LLC .               | P.O. Box 12274.Seattle, WA 98102. Estados Unidos.                                 | 100.00 %              |
| Mostostal Pomorze, S.A.             | 80-557 Gdansk ul. Marynarki Polskiej 59. Polonia                                  | 100.00 %              |
| Muelle Melbourne & Clark, S.A.      | Avenida Tajamar 183, piso 5.Las Condes. Santiago. Chile                           | 50.00 %               |
| Newark Real Estate Holdings, Inc.   | 810 Seventh Ave. 9th Fl.New York, NY 10019. Estados Unidos.                       | 100.00 %              |
| PA CONEX Sp. z.o.o.                 | Dworska 1, 05-500 (Wólka Kozodawska). Piaseczno. Polonia.                         | 100.00 %              |
| PA Wyroby Betonowe Sp. z.o.o.       | 82-300 Elblag ul. Plk. Dabka 215. Polonia   | 100.00 %              |
| Piques y Túneles, S. A.             | Avda. Tajamar 183, piso 5. Las Condes.Santiago de Chile. Chile                    | 49.99 %               |
| Polaqua Sp. z o. o.                 | Dworska 1, 05-500 Piaseczno (Wólka Kozodawska). Polonia.                          | 100.00 %              |
| Prince Contracting, LLC.            | 10210 Highland Manor Drive, Suite 110.Tampa, FL, 33610. Estados Unidos.           | 100.00 %              |
| Pulice Construction, Inc.           | 8660 E. Hartford Drive, Suite 305, Scottsdale, AZ 85255. Estados Unidos.          | 100.00 %              |
| Roura Cevasa México, S.A. de C.V    | Calle Oxford, 30, Colonia Juarez, CP 06600, Cuauhtemoc. Ciudad de México. México. | 100.00 %              |
| Roura Cevasa, S.A.                  | C/ Chile 25, P.I. Azque, 28.806 Alcalá de Henares. Madrid. España.                | 100.00 %              |
| Schiavone Construction Company      | 150 Meadowlands Parkway, 2nd Fl.Seacaucus 07094 New Jersey. Estados Unidos.       | 100.00 %              |
| Sussex Realty, LLC.                 | 31 Garden Lane Lawrence, NY 11559. EE.UU.   | 100.00 %              |
| Técnicas e Imagen Corporativa, S.L. | Avda. de Paris, 1 - 19200 Azuqueca de Henares.Guadalajara.España                  | 100.00 %              |
| TECO Sp. z.o.o.                     | 51-501 Wroclaw ul. Swojczycka 21-41. Polonia                                      | 100.00 %              |
| Tecsa Empresa Constructora, S.A.    | Plaza Circular Nº 4, planta 5ª. 48001 Bilbao. España.                             | 100.00 %              |
| Vias USA, Inc.                      | 810 7th Avenue, 9th Floor. 10019 Nueva York. Estados Unidos.                      | 100.00 %              |
| Vias y Construcciones, S.A.         | Avenida del Camino de Santiago, nº 50.. 28050 Madrid. España.                     | 100.00 %              |

## INFRASTRUCTURES -IRIDIUM (Concessions)

|  |  |                 |
|--|--|-----------------|
| <b>Iridium Concesiones de Infraestructuras, S.A.</b> | <b>Avenida del Camino de Santiago, nº 50. 28050 Madrid. España.</b>                                | <b>100.00 %</b> |
| ACS 288 Holdings, LLC                                | One Alhambra Plaza suite 1200. Coral Gables. Estados Unidos.                                       | 100.00 %        |
| ACS BNA GP Inc.                                      | 595 Burrard Street, Suite 2600, P.O Box 4, Vancouver, BC V7X 1L3. Vancouver. Canadá.               | 100.00 %        |
| ACS BNA Holdco Inc.                                  | 595 Burrard Street, Suite 2600, P.O Box 4, Vancouver, BC V7X 1L3. Vancouver. Canadá.               | 100.00 %        |
| ACS BNA O&M GP Inc                                   | Suite 2600, Three Bentall Cent 595 Burrard St. P.O. Box 4 Vancouver BC V7X 1L3. Vancouver. Canadá. | 100.00 %        |
| ACS Crosslinx Maintenance Inc.                       | 550 Burrard Street, 2300, Vancouver, British Columbia. Canad V6C 2B5                               | 100.00 %        |
| ACS Crosslinx Partner Inc.                           | 666 Burrard Street, Vancouver, B.C. V6C 2Z7. Canadá.   | 100.00 %        |
| ACS EgLRT Holdings Inc.                              | 666 Burrard Street, Vancouver, B.C. V6C 2Z7. Canadá.   | 100.00 %        |
| ACS Infraestructuras Perú SAC                        | Avenida Pardo y Aliaga N 652, oficina304A. San Isidro, Lima 27. Perú.                              | 100.00 %        |
| ACS Infraestructuras México, S. R. L. de C. V.       | C/ Oxford, 30, Colonia Ju rez, Delegación Cuauhtémoc.CP: 06600 México, Distrito Federal. México.   | 100.00 %        |
| ACS Infrastructure Canadá, Inc.                      | 155 University Avenue, Suite 1800,Toronto, Ontario M5H 3B7. Canadá.                                | 100.00 %        |
| ACS Infrastructure Development, Inc.                 | One Alhambra Plaza suite 1200. Coral Gables. Estados Unidos.                                       | 100.00 %        |
| ACS Link 427 Holdings Inc.                           | 2800 Park Place. 666 Burrard Street. BC V6C 2Z7.. Vancouver. Canadá.                               | 100.00 %        |
| ACS Link 427 Partner Inc.                            | 2800 Park Place. 666 Burrard Street. BC V6C 2Z7.. Vancouver. Canadá.                               | 100.00 %        |
| ACS LINXS Holdings, LLC                              | One Alhambra Plaza, Suite 1200, Coral Gables, Florida 33134. Coral Gables. Estados Unidos.         | 100.00 %        |
| ACS LINXS O&M Holdings, LLC                          | One Alhambra Plaza, Suite 1200, Coral Gables, Florida 33134. Coral Gables. Estados Unidos.         | 100.00 %        |
| ACS Mosaic Transit Partners Holding Inc.             | 745 Thurlow Street, Suite 2400 Vancouver, British Columbia V6E 0C5. Vancouver. Canadá.             | 100.00 %        |
| ACS MTP Maintenance INC                              | 745 Thurlow Street, Suite 2400 Vancouver, British Columbia V6E 0C5. Vancouver. Canadá.             | 100.00 %        |
| ACS MTP Partner INC                                  | 745 Thurlow Street, Suite 2400 Vancouver, British Columbia V6E 0C5. Vancouver. Canadá.             | 100.00 %        |
| ACS OLRT Holdings INC.                               | 2800 Park Place, 666 Burrard Street Vancouver, British Columbia V6C 2Z7. Vancouver. Canadá.        | 100.00 %        |
| ACS Portsmouth Holdings, L.L.C.                      | One Alhambra Plaza, Suite 1200, Coral Gables. Florida 33134. Estados Unidos.                       | 100.00 %        |

## APPENDIX I

## Subsidiaries

| Company  | Registered Office   | % Effective Ownership |
|--|---|-----------------------|
| ACS RT Maintenance Partner INC.                      | 2800 Park Place, 666 Burrard Street Vancouver, British Columbia V6C 2Z7. Vancouver. Canadá. | 100.00 %              |
| ACS RTF Holdings Inc.                                | 2800 Park Place, 666 Burrard Street, Vancouver BC V6C 2Z7. Vancouver. Canadá.               | 100.00 %              |
| ACS RTF Partner Inc.                                 | 2800 Park Place, 666 Burrard Street, Vancouver BC V6C 2Z7. Vancouver. Canadá.               | 100.00 %              |
| ACS RTG Partner INC.                                 | 2800 Park Place, 666 Burrard Street Vancouver, British Columbia V6C 2Z7. Vancouver. Canadá. | 100.00 %              |
| ACS SSLG Partner Inc.                                | 1400-1501 av. McGill College Montréal, QC H3A 3M8. Canadá.                                  | 100.00 %              |
| ACS St. Lawrence Bridge Holding Inc.                 | 1400-1501 av. McGill College Montréal, QC H3A 3M8. Canadá.                                  | 100.00 %              |
| ACS WEP Holdings, Inc.                               | 1 Germain Street Suite 1500.Saint John NB E2L4V1. Canadá.                                   | 100.00 %              |
| Angels Flight Development Company, LLC               | One Alhambra Plaza Suite 1200, 33134.. Los Ángeles. Estados Unidos.                         | 86.66 %               |
| Autovía Medinaceli-Calatayud Soc.Conces.Estado, S.A. | Avda. Camino de Santiago, 50 - 28050 Madrid. España.  | 100.00 %              |
| Can Brians 2, S.A.                                   | Avinguda Josep Tarradellas, 8, 2º. 08029 Barcelona. España.                                 | 100.00 %              |
| CAT Desenvolupament de Concessions Catalanes, S.L.   | Avinguda Josep Tarradellas, 8, 2º. 08029 Barcelona. España.                                 | 100.00 %              |
| Concesiones de Infraestructuras Chile Dos, S.A.      | José Antonio Soffia 2747 Oficina 602 Comuna de Providencia. Santiago. Chile.                | 100.00 %              |
| Concesiones de Infraestructuras Chile Tres, S.A.     | José Antonio Soffia 2747 Oficina 602 Comuna de Providencia. Santiago. Chile.                | 100.00 %              |
| Concesiones de Infraestructuras Chile Uno S.A.       | Avenida Apoquindo 3001 piso 9, Comuna Las Condes. Chile                                     | 100.00 %              |
| Concesiones Viarias Chile Tres, S.A.                 | José Antonio Soffia N°2747, Oficina 602, Comuna de Providencia. Santiago de Chile. Chile    | 100.00 %              |
| Desarrollo de Concesionarias Viarias Dos, S.L.       | Avenida del Camino de Santiago, 50. 28050 Madrid. España.                                   | 100.00 %              |
| Desarrollo de Concesionarias Viarias Uno, S.L.       | Avenida del Camino de Santiago, 50. 28050 Madrid. España.                                   | 100.00 %              |
| Desarrollo de Concesiones Ferroviarias, S.L.         | Avenida del Camino de Santiago, 50. 28050 Madrid. España.                                   | 100.00 %              |
| Dragados Concessions, Ltd.                           | Hill House, 1 - Little New Street. London EC4A 3TR. Inglaterra.                             | 100.00 %              |
| Dragados Waterford Ireland, Ltd.                     | 70 Sir John Rogerson´s Quay. Dublin. Irlanda  | 100.00 %              |
| Estacionament Centre Direccional, S.A.               | Avenida de la Universitat, s/n. 43206 Reus. Tarragona. España.                              | 100.00 %              |
| Explotación Comercial de Intercambiadores, S.A.      | Avda. de America, 9A (Intercambiador de Tptes)28002 Madrid. España.                         | 100.00 %              |
| FTG O&M Solutions ACS GP Ltd.                        | Suite 2400, 745 Thurlow Street, Vancouver, British Columbia, V6E 0C5. Vancouver. Canadá.    | 100.00 %              |
| FTG O&M Solutions Limited Partnership                | Suite 2400, 745 Thurlow Street, Vancouver, British Columbia, V6E 0C5. Vancouver. Canadá.    | 75.00 %               |
| Iridium Aparcamientos, S.L.                          | Avenida del Camino de Santiago, 50. 28050 Madrid. España.                                   | 100.00 %              |
| Iridium Portlaoise Ireland Limited                   | 70 Sir John Rogerson´s Quay. Dublin. Irlanda  | 100.00 %              |
| Operadora Autovia Medinaceli Calatayud, S.L.         | Avda Camino de Santiago 50. 28050 Madrid. España.   | 100.00 %              |
| Parking Mérida III, S.A.U.                           | Avenida Lusitania, 15, 1º, Puerta 7. 06800 Mérida. Badajoz. España.                         | 100.00 %              |
| Parking Nou Hospital del Camp, S.L.                  | Avenida de la Universitat, s/n.43206 Reus. Tarragona. España.                               | 100.00 %              |
| Parking Palau de Fires, S.L.                         | Avenida de la Universitat, s/n.43206 Reus. Tarragona. España.                               | 100.00 %              |
| Soc Conc Nuevo Complejo Fronterizo Los Libertadore   | José Antonio Soffia N 2747, Oficina 602 - comuna de Providencia.Santiago de Chile. Chile.   | 100.00 %              |

## INFRASTRUCTURES - HOCHTIEF

| Hochtief Aktiengesellschaft                                   | Essen, Alemania        | 52.23 % |
|---|------------------------|---------|
| Beggen PropCo Särl  | Luxemburgo, Luxemburgo | 52.23 % |
| Builders Direct SA  | Luxemburgo, Luxemburgo | 52.23 % |
| Builders Insurance Holdings S.A.                              | Steinfurt, Luxemburgo  | 52.23 % |
| Builders Reinsurance S.A.                                     | Luxemburgo, Luxemburgo | 52.23 % |
| Eurafrica Baugesellschaft mbH                                 | Essen, Alemania        | 52.23 % |
| Hochtief Insurance Broking and Risk Management Solutions GmbH | Essen, Alemania        | 52.23 % |
| Independent (Re)insurance Services S.A.                       | Luxemburgo, Luxemburgo | 52.23 % |
| NEXPLORE Hong Kong Ltd.                                       | Hongkong               | 52.23 % |
| NEXPLORE Technology GmbH                                      | Essen, Alemania        | 52.23 % |
| NEXPLORE Technology Holding GmbH & Co. KG                     | Essen, Alemania        | 52.23 % |
| NEXPLORE Technology Verwaltungs GmbH                          | Essen, Alemania        | 52.23 % |
| Steinfurt Multi-Asset Fund SICAV-SIF                          | Luxemburgo, Luxemburgo | 52.23 % |

## APPENDIX I

## Subsidiaries

| Company   | Registered Office             | % Effective Ownership |
|---|-------------------------------|-----------------------|
| Steinfort PropCo Sàrl   | Luxemburgo, Luxemburgo        | 52.23 %               |
| Vintage Real Estate HoldCo Sàrl                                       | Luxemburgo, Luxemburgo        | 52.23 %               |
| <b>Hochtief Americas</b>  |                               |                       |
| <b>Hochtief Americas GmbH</b>   | <b>Essen, Alemania</b>        | <b>52.23 %</b>        |
| Auburndale Company Inc.   | Ohio, Estados Unidos          | 52.23 %               |
| Audubon Bridge Constructors   | New Roads, Estados Unidos     | 28.20 %               |
| Canadian Borealis Construction Inc.                                   | Alberta, Canadá               | 40.72 %               |
| Canadian Turner Construction Company Ltd.                             | Toronto, Canadá               | 52.23 %               |
| CB Finco Corporation  | Alberta, Canadá               | 40.72 %               |
| CB Resources Corporation  | Alberta, Canadá               | 40.72 %               |
| Clark Builders Partnership  | Alberta, Canadá               | 40.72 %               |
| Clark Turner Dawson Creek JV  | Vancouver, Canadá             | 26.17 %               |
| E.E. Cruz and Company Inc.  | Holmdel, Estados Unidos       | 52.23 %               |
| FECO Equipment  | Denver, Estados Unidos        | 52.23 %               |
| Flatiron Construction Corp.   | Wilmington, Estados Unidos    | 52.23 %               |
| Flatiron Constructors Canada Ltd.                                     | Vancouver, Canadá             | 52.23 %               |
| Flatiron Constructors Inc.  | Wilmington, Estados Unidos    | 52.23 %               |
| Flatiron Constructors Inc. – Blythe Development Company JV            | Firestone, Estados Unidos.    | 31.34 %               |
| Flatiron Constructors Inc. Canadian Branch                            | Vancouver, Canadá             | 52.23 %               |
| Flatiron Electric Group   | Wilmington, Estados Unidos    | 52.23 %               |
| Flatiron Equipment Company Canada                                     | Calgary, Canadá               | 52.23 %               |
| Flatiron Holding Inc.   | Wilmington, Estados Unidos    | 52.23 %               |
| Flatiron Parsons JV   | Los Angeles, Estados Unidos   | 36.56 %               |
| Flatiron West Inc.  | Wilmington, Estados Unidos    | 52.23 %               |
| Flatiron/Dragados/Sukut JV  | Benicia, Estados Unidos.      | 18.28 %               |
| Flatiron/Goodfellow Top Grade JV                                      | Wilmington, Estados Unidos    | 37.86 %               |
| Flatiron/Turner Construction of New York LLC                          | New York, Estados Unidos      | 52.23 %               |
| Flatiron-Blythe Development Company JV                                | Firestone, Estados Unidos     | 36.56 %               |
| Flatiron-Branch Civi JV   | Broomsfield, Estados Unidos   | 31.34 %               |
| Flatiron-Lane JV  | Longmont, Estados Unidos      | 28.72 %               |
| Flatiron-Skanska-Stacy and Witbec JV                                  | San Marcos, Estados Unidos    | 20.89 %               |
| Hochtief Argentina S.A.   | Buenos Aires, Argentina       | 52.23 %               |
| Hochtief USA Inc.   | Delaware, Estados Unidos      | 52.23 %               |
| Lakeside Alliance   | Chicago, Estados Unidos       | 26.64 %               |
| Maple Red Insurance Company   | Vermont, Estados Unidos       | 52.23 %               |
| OMM Inc.  | Plantation, Estados Unidos    | 52.23 %               |
| Real PM Ltd.  | Reino Unido                   | 52.23 %               |
| Saddleback Constructors   | Mission Viejo, Estados Unidos | 28.20 %               |
| Services Products Buildings Inc.                                      | Ohio, Estados Unidos          | 52.23 %               |
| SourceBlue Canada Ltd.  | Toronto, Canadá               | 52.23 %               |
| SourceBlue LLC  | New Jersey, Estados Unidos    | 52.23 %               |
| The Lathrop Company Inc.  | Ohio, Estados Unidos          | 52.23 %               |
| The Turner Corporation  | Dallas, Estados Unidos        | 52.23 %               |
| Tompkins Builders Inc.  | Washington, Estados Unidos    | 52.23 %               |
| Tompkins Turner Grunley Kinsley JV (C4ISR Aberdeen & Proving Grounds) | Maryland, Estados Unidos      | 26.64 %               |
| Trans Hudson Brokerage, LLC   | Delaware, Estados Unidos.     | 52.23 %               |
| Turner – Martin Harris (Las Vegas Convention and Visitors Authority)  | Las Vegas, Estados Unidos     | 33.95 %               |
| Turner (East Asia) Pte. Ltd.  | Singapur                      | 52.23 %               |
| Turner AECOM-Hunt NFL JV (NFL Stadium)                                | Inglewood, Estados Unidos.    | 26.11 %               |
| Turner Canada Holdings Inc.   | New Brunswick, Canadá         | 52.23 %               |
| Turner Canada LLC   | New York, Estados Unidos      | 52.23 %               |

## APPENDIX I

## Subsidiaries

| Company   | Registered Office              | % Effective Ownership |
|---|--------------------------------|-----------------------|
| Turner Clayco Memorial Stadium JV (UIUC Memorial Stadium)                                   | Chicago, Estados Unidos        | 26.64 %               |
| Turner Clayco Willis Tower JV (Willis Tower)  | Chicago, Estados Unidos        | 26.64 %               |
| Turner Construction Company   | New York, Estados Unidos       | 52.23 %               |
| Turner Construction Company of Ohio LLC   | Ohio, Estados Unidos           | 52.23 %               |
| Turner Construction/Sano-Rubin Construction Services (St. Peter's Health Ambulatory Center) | Albany, Estados Unidos         | 31.34 %               |
| Turner Consulting (Thailand) Ltd.   | Tailandia                      | 52.23 %               |
| Turner Consulting and Management Services Pvt. Ltd.   | India                          | 52.22 %               |
| Turner International (East Asia) Ltd.   | Hongkong                       | 52.23 %               |
| Turner International (Hong Kong) Ltd.   | Hongkong                       | 52.23 %               |
| Turner International (UK) Ltd.  | Londres, Reino Unido           | 52.23 %               |
| Turner International Consulting (Thailand) Ltd.   | Tailandia                      | 26.11 %               |
| Turner International Industries Inc.  | New York, Estados Unidos       | 52.23 %               |
| Turner International LLC  | New York, Estados Unidos       | 52.23 %               |
| Turner International Malaysia Sdn. Bhd.   | Malasia                        | 52.23 %               |
| Turner International Professional Services Ltd. (Ireland)                                   | Irlanda                        | 52.23 %               |
| Turner International Professional Services, S. de R.L. de C.V.                              | México                         | 51.70 %               |
| Turner International Proje Yonetimi Ltd. Sti.   | Turquía                        | 52.23 %               |
| Turner International Pte. Ltd.  | Singapur                       | 52.23 %               |
| Turner International Support Services, S. de R.L. de C.V.                                   | México                         | 51.70 %               |
| Turner JLN JV (Lyndhurst Elementary)  | Baltimore, Estados Unidos      | 36.56 %               |
| Turner Management Consulting (Shanghai) Co. Ltd.  | Shanghai, China                | 52.22 %               |
| Turner Partnership Holdings Inc.  | New Brunswick, Canadá          | 52.23 %               |
| Turner Project Management India Pvt. Ltd.   | India                          | 52.22 %               |
| Turner Sanorubin JV (Health Alliance)   | Albany, Estados Unidos         | 26.64 %               |
| Turner Southeast Europe d.o.o Beograd   | Belgrado, Serbia               | 52.23 %               |
| Turner Surety & Insurance Brokerage Inc.  | New Jersey, Estados Unidos     | 52.23 %               |
| Turner Vietnam Co. Ltd.   | Vietnam                        | 52.23 %               |
| Turner/Con-Real (Terrell High School Academy)   | Texas, Estados Unidos          | 30.29 %               |
| Turner/Con-Real (University of Arkansas)  | Texas, Estados Unidos          | 26.64 %               |
| Turner/Flatiron JV  | San Diego, Estados Unidos      | 52.23 %               |
| Turner/Ozanne/VAA (Cleveland Convention Center Hotel)                                       | Ohio, Estados Unidos           | 26.64 %               |
| Turner-Flatiron JV (Denver International Airport)   | Colorado, Estados Unidos       | 52.23 %               |
| Turner-Kiewit JV (GOAA South Airport)   | Florida, Estados Unidos        | 41.78 %               |
| Turner-McKissack JV (HHC – FEMA Coney Island Hospital Campus Renovation)                    | New York, Estados Unidos       | 31.34 %               |
| Turner-PCL JV (LAX Midfield)  | New York, Estados Unidos       | 26.11 %               |
| Turner-PCL JV (San Diego Airport)   | San Diego, Estados Unidos      | 26.11 %               |
| Turner-SG Contracting (Hartfield Jackson)   | Georgia, Estados Unidos        | 39.17 %               |
| Turner-Welty JV (Duke Energy Corp.)   | North Carolina, Estados Unidos | 31.34 %               |
| Universal Construction Company Inc.   | Alabama, Estados Unidos.       | 52.23 %               |
| West Coast Rail Constructors  | San Marco, Estados Unidos      | 33.95 %               |

## Hochtief Asia Pacific

|   |                                |                |
|---|--------------------------------|----------------|
| <b>Hochtief Asia Pacific GmbH</b>       | <b>Essen, Alemania</b>         | <b>52.23 %</b> |
| <b>Hochtief Australia Holdings Ltd.</b> | <b>Sydney, Australia</b>       | <b>52.23 %</b> |
| <b>Cimic Group Ltd.</b>                 | <b>Victoria, Australia</b>     | <b>41.04 %</b> |
| 512 Wickham Street Pty. Ltd.            | Nueva Gales del Sur, Australia | 41.04 %        |
| 512 Wickham Street Trust                | Nueva Gales del Sur, Australia | 41.04 %        |
| A.C.N. 126 130 738 Pty. Ltd.            | Victoria, Australia            | 41.04 %        |
| A.C.N. 151 868 601 Pty. Ltd.            | Victoria, Australia            | 41.04 %        |
| Alloy Fab Pty. Ltd.                     | Western Australia, Australia   | 41.04 %        |
| Arus Tenang Sdn. Bhd.                   | Malasia                        | 41.04 %        |
| BCJHG Nominees Pty. Ltd.                | Victoria, Australia            | 41.04 %        |

## APPENDIX I

## Subsidiaries

| Company   | Registered Office              | % Effective Ownership |
|---|--------------------------------|-----------------------|
| BCJHG Trust   | Victoria, Australia            | 41.04 %               |
| Broad Construction Pty. Ltd.  | Queensland, Australia          | 41.04 %               |
| Broad Construction Services (NSW/VIC) Pty. Ltd.   | Western Australia, Australia   | 41.04 %               |
| Broad Construction Services (WA) Pty. Ltd.  | Western Australia, Australia   | 41.04 %               |
| Broad Group Holdings Pty. Ltd.  | Western Australia, Australia   | 41.04 %               |
| Capstone Infrastructure Finance Pty. Ltd.   | Queensland, Australia          | 41.04 %               |
| Cimic Admin Services Pty. Ltd.  | Nueva Gales del Sur, Australia | 41.04 %               |
| Cimic Finance (USA) Pty. Ltd.   | Nueva Gales del Sur, Australia | 41.04 %               |
| Cimic Finance Ltd.  | Nueva Gales del Sur, Australia | 41.04 %               |
| Cimic Group Investments No. 2 Pty. Ltd.   | Victoria, Australia            | 41.04 %               |
| Cimic Group Investments No. 3 Pty. Ltd.   | Victoria, Australia            | 41.04 %               |
| Cimic Group Investments Pty. Ltd.   | Victoria, Australia            | 41.04 %               |
| Cimic Residential Investments Pty. Ltd.   | Victoria, Australia            | 41.04 %               |
| CM2A Finance Pty. Ltd.  | Victoria, Australia            | 41.04 %               |
| CMENA Pty. Ltd.   | Victoria, Australia            | 41.04 %               |
| CPB Contractors (PNG) Ltd.  | Papua Nueva Guinea             | 41.04 %               |
| CPB Contractors Pty. Ltd.   | Nueva Gales del Sur, Australia | 41.04 %               |
| CPB Contractors UGL Engineering JV  | Victoria, Australia            | 41.04 %               |
| Curara Pty. Ltd.  | Western Australia, Australia   | 41.04 %               |
| D.M.B. Pty. Ltd.  | Queensland, Australia          | 41.04 %               |
| Dais Vic Pty. Ltd.  | Victoria, Australia            | 41.04 %               |
| Devine Constructions Pty. Ltd.  | Queensland, Australia          | 41.04 %               |
| Devine Funds Pty. Ltd.  | Victoria, Australia            | 41.04 %               |
| Devine Funds Unit Trust   | Queensland, Australia          | 41.04 %               |
| Devine Homes Pty. Ltd.  | Queensland, Australia          | 41.04 %               |
| Devine Land Pty. Ltd.   | Queensland, Australia          | 41.04 %               |
| Devine Management Services Pty. Ltd.  | Queensland, Australia          | 41.04 %               |
| Devine Projects (VIC) Pty. Ltd.   | Queensland, Australia          | 41.04 %               |
| Devine Pty. Ltd.  | Queensland, Australia          | 41.04 %               |
| Devine Queensland No. 10 Pty. Ltd.  | Queensland, Australia          | 41.04 %               |
| Devine SA Land Pty. Ltd.  | Queensland, Australia          | 41.04 %               |
| Devine Springwood No. 1 Pty. Ltd.   | Nueva Gales del Sur, Australia | 41.04 %               |
| Devine Springwood No. 2 Pty. Ltd.   | Queensland, Australia          | 41.04 %               |
| DoubleOne 3 Pty. Ltd.   | Queensland, Australia          | 41.04 %               |
| EIC Activities Pty. Ltd.  | Victoria, Australia            | 41.04 %               |
| EIC Activities Pty. Ltd. (NZ)   | Nueva Zelanda                  | 41.04 %               |
| Giddens Investment Ltd.   | Hongkong                       | 41.04 %               |
| Glenrowand Solar Farm Pty. Ltd.   | Victoria, Australia            | 41.04 %               |
| Glenrowand Solar Holdings Pty. Ltd.   | Victoria, Australia            | 41.04 %               |
| Hamilton Harbour Developments Pty. Ltd.   | Queensland, Australia          | 41.04 %               |
| Hamilton Harbour Unit Trust (Devine Hamilton Unit Trust)                                  | Victoria, Australia            | 41.04 %               |
| ICC Infrastructure Pty. Ltd.  | Western Australia, Australia   | 41.04 %               |
| ICC Mining Pty. Ltd.  | Western Australia, Australia   | 41.04 %               |
| Industrial Composites Engineering Pty. Ltd.   | Western Australia, Australia   | 41.04 %               |
| Innovated Asset Solutions Pty. Ltd. & UGL Operations and Maintenance (Services) Pty. Ltd. | Western Australia, Australia   | 41.04 %               |
| Innovative Asset Solutions Group Pty. Ltd.  | Western Australia, Australia   | 41.04 %               |
| ITCO Pty. Ltd.  | Nueva Gales del Sur, Australia | 41.04 %               |
| Jarra Wood Pty. Ltd.  | Western Australia, Australia   | 41.04 %               |
| Jet-Cut Pty. Ltd.   | Western Australia, Australia   | 41.04 %               |
| JH ServicesCo Pty. Ltd.   | Victoria, Australia            | 41.04 %               |
| JHAS Pty. Ltd.  | Victoria, Australia            | 41.04 %               |
| JHI Investment Pty. Ltd.  | Victoria, Australia            | 41.04 %               |
| Kings Square Developments Pty. Ltd.   | Queensland, Australia          | 41.04 %               |
| Kings Square Developments Unit Trust  | Queensland, Australia          | 41.04 %               |
| Legacy JHI Pty. Ltd.  | Victoria, Australia            | 41.04 %               |

## APPENDIX I

## Subsidiaries

| Company   | Registered Office                       | % Effective Ownership |
|---|---|-----------------------|
| Leighton (PNG) Ltd.                                       | Papua Nueva Guinea                      | 41.04 %               |
| Leighton Asia (Hong Kong) Holdings (No. 2) Ltd.           | Hongkong                                | 41.04 %               |
| Leighton Asia Ltd.  | Hongkong                                | 41.04 %               |
| Leighton Asia Southern Pte. Ltd.                          | Singapur                                | 41.04 %               |
| Leighton Companies Management Group LLC                   | Emiratos Arabes Unidos                  | 20.11 %               |
| Leighton Contractors (Asia) Ltd.                          | Hongkong                                | 41.04 %               |
| Leighton Contractors (Indo-China) Ltd.                    | Hongkong                                | 41.04 %               |
| Leighton Contractors (Laos) Sole Co. Ltd.                 | Laos                                    | 41.04 %               |
| Leighton Contractors (Malaysia) Sdn. Bhd.                 | Malasia                                 | 41.04 %               |
| Leighton Contractors (Philippines) Inc.                   | Filipinas                               | 16.41 %               |
| Leighton Contractors Inc.                                 | Estados Unidos                          | 41.04 %               |
| Leighton Contractors Infrastructure Nominees Pty. Ltd.    | Victoria, Australia                     | 41.04 %               |
| Leighton Contractors Infrastructure Pty. Ltd.             | Victoria, Australia                     | 41.04 %               |
| Leighton Contractors Infrastructure Trust                 | Victoria, Australia                     | 41.04 %               |
| Leighton Contractors Lanka (Private) Ltd.                 | Sri Lanka                               | 41.04 %               |
| Leighton Contractors Pty. Ltd.                            | Nueva Gales del Sur, Australia          | 41.04 %               |
| Leighton Engineering & Construction (Singapore) Pte. Ltd. | Singapur                                | 41.04 %               |
| Leighton Engineering Sdn. Bhd.                            | Malasia                                 | 41.04 %               |
| Leighton Equity Incentive Plan Trust                      | Nueva Gales del Sur, Australia          | 41.04 %               |
| Leighton Foundation Engineering (Asia) Ltd.               | Hongkong                                | 41.04 %               |
| Leighton Group Property Services Pty. Ltd.                | Victoria, Australia                     | 41.04 %               |
| Leighton Harbour Trust                                    | Queensland, Australia                   | 41.04 %               |
| Leighton Holdings Infrastructure Nominees Pty. Ltd.       | Victoria, Australia                     | 41.04 %               |
| Leighton Holdings Infrastructure Pty. Ltd.                | Victoria, Australia                     | 41.04 %               |
| Leighton Holdings Infrastructure Trust                    | Victoria, Australia                     | 41.04 %               |
| Leighton India Contractors Pvt. Ltd.                      | India                                   | 41.04 %               |
| Leighton Infrastructure Investments Pty. Ltd.             | Nueva Gales del Sur, Australia          | 41.04 %               |
| Leighton International Ltd.                               | Cayman Islands, Reino Unido             | 41.04 %               |
| Leighton International Mauritius Holdings Ltd. No. 4      | Mauricio                                | 41.04 %               |
| Leighton Investments Mauritius Ltd. No. 4                 | Mauricio                                | 41.04 %               |
| Leighton JV   | Hongkong                                | 41.04 %               |
| Leighton Middle East and Africa (Holding) Ltd.            | Cayman Islands, Reino Unido             | 41.04 %               |
| Leighton Offshore Eclipse Pte. Ltd.                       | Singapur                                | 41.04 %               |
| Leighton Offshore Faulkner Pte. Ltd.                      | Singapur                                | 41.04 %               |
| Leighton Offshore Mynx Pte. Ltd.                          | Singapur                                | 41.04 %               |
| Leighton Offshore Pte. Ltd.                               | Singapur                                | 41.04 %               |
| Leighton Offshore Sdn. Bhd.                               | Malasia                                 | 41.04 %               |
| Leighton Offshore Stealth Pte. Ltd.                       | Singapur                                | 41.04 %               |
| Leighton Portfolio Services Pty. Ltd.                     | Australian Capital Territory, Australia | 41.04 %               |
| Leighton Projects Consulting (Shanghai) Ltd.              | China                                   | 41.04 %               |
| Leighton Properties (Brisbane) Pty. Ltd.                  | Queensland, Australia                   | 41.04 %               |
| Leighton Properties (VIC) Pty. Ltd.                       | Victoria, Australia                     | 41.04 %               |
| Leighton Properties (WA) Pty. Ltd.                        | Nueva Gales del Sur, Australia          | 41.04 %               |
| Leighton Properties Pty. Ltd.                             | Queensland, Australia                   | 41.04 %               |
| Leighton Services UAE Co. LLC                             | Emiratos Arabes Unidos                  | 41.04 %               |
| Leighton Superannuation Pty. Ltd.                         | Nueva Gales del Sur, Australia          | 41.04 %               |
| Leighton U.S.A. Inc.                                      | Estados Unidos                          | 41.04 %               |
| LH Holdings Co. Pty. Ltd.                                 | Victoria, Australia                     | 41.04 %               |
| LMENA No. 1 Pty. Ltd.                                     | Victoria, Australia                     | 41.04 %               |
| LMENA Pty. Ltd.   | Victoria, Australia                     | 41.04 %               |
| LNWR Pty. Ltd.  | Victoria, Australia                     | 41.04 %               |
| LNWR Trust  | Nueva Gales del Sur, Australia          | 41.04 %               |
| Newest Metro Pty. Ltd.                                    | Nueva Gales del Sur, Australia          | 41.04 %               |
| Nexus Point Solutions Pty. Ltd.                           | Nueva Gales del Sur, Australia          | 41.04 %               |
| Opal Insurance (Singapore) Pte. Ltd.                      | Singapur                                | 41.04 %               |
| Optima Activities Pty. Ltd.                               | Nueva Gales del Sur, Australia          | 41.04 %               |

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## Subsidiaries

| Company   | Registered Office              | % Effective Ownership |
|---|--------------------------------|-----------------------|
| Pacific Partnerships Energy Pty. Ltd.               | Victoria, Australia            | 41.04 %               |
| Pacific Partnerships Holdings Pty. Ltd.             | Victoria, Australia            | 41.04 %               |
| Pacific Partnerships Investments 2 Pty. Ltd.        | Victoria, Australia            | 41.04 %               |
| Pacific Partnerships Investments 2 Trust            | Victoria, Australia            | 41.04 %               |
| Pacific Partnerships Investments Pty. Ltd.          | Victoria, Australia            | 41.04 %               |
| Pacific Partnerships Investments Trust              | Victoria, Australia            | 41.04 %               |
| Pacific Partnerships Pty. Ltd.                      | Victoria, Australia            | 41.04 %               |
| Pacific Partnerships Services NZ Ltd.               | Nueva Zelandia                 | 41.04 %               |
| Pekko Engineers Ltd.                                | Hongkong                       | 41.04 %               |
| Pioneer Homes Australia Pty. Ltd.                   | Queensland, Australia          | 41.04 %               |
| PT Leighton Contractors Indonesia                   | Indonesia                      | 38.99 %               |
| Regional Trading Ltd.                               | Hongkong                       | 41.04 %               |
| Riverstone Rise Gladstone Pty. Ltd.                 | Queensland, Australia          | 41.04 %               |
| Riverstone Rise Gladstone Unit Trust                | Queensland, Australia          | 41.04 %               |
| Sedgman Asia Ltd.                                   | Hongkong                       | 41.04 %               |
| Sedgman Botswana (Pty.) Ltd.                        | Botswana                       | 41.04 %               |
| Sedgman Canada Ltd.                                 | Canadá                         | 41.04 %               |
| Sedgman Chile S.p.a.                                | Chile                          | 41.04 %               |
| Sedgman Consulting Pty. Ltd.                        | Queensland, Australia          | 41.04 %               |
| Sedgman CPB JV (SCJV)                               | Queensland, Australia          | 41.04 %               |
| Sedgman Employment Services Pty. Ltd.               | Queensland, Australia          | 41.04 %               |
| Sedgman Engineering Technology (Beijing) Co. Ltd.   | China                          | 41.04 %               |
| Sedgman International Employment Services Pty. Ltd. | Queensland, Australia          | 41.04 %               |
| Sedgman Mozambique Ltda.                            | Mozambique                     | 41.04 %               |
| Sedgman Operations Employment Services Pty. Ltd.    | Queensland, Australia          | 41.04 %               |
| Sedgman Operations Pty. Ltd.                        | Queensland, Australia          | 41.04 %               |
| Sedgman Projects Employment Services Pty. Ltd.      | Queensland, Australia          | 41.04 %               |
| Sedgman Pty. Ltd.                                   | Queensland, Australia          | 41.04 %               |
| Sedgman SAS (Colombia)                              | Colombia                       | 41.04 %               |
| Sedgman South Africa (Proprietary) Ltd.             | Sudáfrica                      | 41.04 %               |
| Sedgman South Africa Holdings (Proprietary) Ltd.    | Sudáfrica                      | 41.04 %               |
| Sedgman USA Inc.                                    | Estados Unidos                 | 41.04 %               |
| Silverton Group Pty. Ltd.                           | Western Australia, Australia   | 41.04 %               |
| Sustaining Works Pty. Ltd.                          | Queensland, Australia          | 41.04 %               |
| Talcliff Pty. Ltd.                                  | Queensland, Australia          | 41.04 %               |
| Tambala Pty. Ltd.                                   | Mauricio                       | 41.04 %               |
| Tasconnect Finance Pty. Ltd.                        | Victoria, Australia            | 41.04 %               |
| Telecommunication Infrastructure Pty. Ltd.          | Victoria, Australia            | 41.04 %               |
| Thai Leighton Ltd.                                  | Tailandia                      | 41.04 %               |
| Thiess Infrastructure Nominees Pty. Ltd.            | Victoria, Australia            | 41.04 %               |
| Thiess Infrastructure Pty. Ltd.                     | Victoria, Australia            | 41.04 %               |
| Thiess Infrastructure Trust                         | Victoria, Australia            | 41.04 %               |
| Think Consulting Group Pty. Ltd.                    | Victoria, Australia            | 41.04 %               |
| Townsville City Project Pty. Ltd.                   | Nueva Gales del Sur, Australia | 41.04 %               |
| Townsville City Project Trust                       | Queensland, Australia          | 41.04 %               |
| Trafalgar EB Pty. Ltd.                              | Queensland, Australia          | 41.04 %               |
| Trafalgar EB Unit Trust                             | Queensland, Australia          | 41.04 %               |
| Tribune SB Pty. Ltd.                                | Queensland, Australia          | 41.04 %               |
| Tribune SB Unit Trust                               | Queensland, Australia          | 41.04 %               |
| UGL (Asia) Sdn. Bhd.                                | Malasia                        | 41.04 %               |
| UGL (NZ) Ltd.                                       | Nueva Zelandia                 | 41.04 %               |
| UGL (Singapore) Pte. Ltd.                           | Singapur                       | 41.04 %               |
| UGL Engineering Pty. Ltd.                           | Queensland, Australia          | 41.04 %               |
| UGL Engineering Pvt. Ltd.                           | India                          | 41.04 %               |
| UGL Operations and Maintenance (Services) Pty. Ltd. | Queensland, Australia          | 41.04 %               |
| UGL Operations and Maintenance Pty. Ltd.            | Victoria, Australia            | 41.04 %               |

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## Subsidiaries

| Company                               | Registered Office              | % Effective Ownership |
|---------------------------------------|--------------------------------|-----------------------|
| UGL Pty. Ltd.                         | Western Australia, Australia   | 41.04 %               |
| UGL Rail (North Queensland) Pty. Ltd. | Queensland, Australia          | 41.04 %               |
| UGL Rail Pty. Ltd.                    | Nueva Gales del Sur, Australia | 41.04 %               |
| UGL Rail Services Pty. Ltd.           | Nueva Gales del Sur, Australia | 41.04 %               |
| UGL Regional Linx Pty. Ltd.           | Nueva Gales del Sur, Australia | 41.04 %               |
| UGL Resources (Contracting) Pty. Ltd. | Victoria, Australia            | 41.04 %               |
| UGL Resources (Malaysia) Sdn. Bhd.    | Malasia                        | 41.04 %               |
| UGL Solutions Pty. Ltd.               | Western Australia, Australia   | 41.04 %               |
| UGL Unipart Rail Services Pty. Ltd.   | Victoria, Australia            | 28.73 %               |
| UGL Utilities Pty. Ltd.               | Nueva Gales del Sur, Australia | 41.04 %               |
| United Group Infrastructure (NZ) Ltd. | Nueva Zelanda                  | 41.04 %               |
| United KG (No. 1) Pty. Ltd.           | Nueva Gales del Sur, Australia | 41.04 %               |
| United KG (No. 2) Pty. Ltd.           | Victoria, Australia            | 41.04 %               |
| Wai Ming M&E Ltd.                     | Hong Kong                      | 41.04 %               |
| Western Port Highway Trust            | Victoria, Australia            | 41.04 %               |

## Hochtief Europe

| Company   | Registered Office          | % Effective Ownership |
|---|----------------------------|-----------------------|
| <b>Hochtief Solutions AG</b>                      | <b>Essen, Alemania</b>     | <b>52.23 %</b>        |
| A.L.E.X.-Bau GmbH                                 | Essen, Alemania            | 52.23 %               |
| Deutsche Bau- und Siedlungs-Gesellschaft mbH      | Essen, Alemania            | 52.23 %               |
| Deutsche Baumanagement GmbH                       | Essen, Alemania            | 52.23 %               |
| Dicentra Copernicus Roads Sp. z o.o.              | Varsovia, Polonia          | 52.23 %               |
| forum am Hirschgarten Nord GmbH & Co. KG          | Essen, Alemania            | 52.23 %               |
| forum am Hirschgarten Süd GmbH & Co. KG           | Essen, Alemania            | 52.23 %               |
| Hochtief (UK) Construction Ltd.                   | Swindon, Gran Bretaña      | 52.23 %               |
| Hochtief Bau und Betrieb GmbH                     | Essen, Alemania            | 52.23 %               |
| Hochtief BePo Hessen Bewirtschaftung GmbH         | Essen, Alemania            | 52.23 %               |
| Hochtief BePo Hessen GmbH                         | Essen, Alemania            | 52.23 %               |
| Hochtief Construction Austria GmbH & Co. KG       | Viena, Austria             | 52.23 %               |
| Hochtief Construction Chilena Ltda.               | Santiago de Chile, Chile   | 52.23 %               |
| Hochtief Construction Management Middle East GmbH | Essen, Alemania            | 52.23 %               |
| Hochtief CZ a.s.                                  | Praga, República Checa     | 52.23 %               |
| Hochtief Development Czech Republic s.r.o.        | Praga, República Checa     | 52.23 %               |
| Hochtief Development Poland Sp. z o.o.            | Varsovia, Polonia          | 52.23 %               |
| Hochtief Engineering GmbH                         | Essen, Alemania            | 52.23 %               |
| Hochtief Infrastructure GmbH                      | Essen, Alemania            | 52.23 %               |
| Hochtief LINXS Holding LLC                        | Wilmington, Estados Unidos | 52.23 %               |
| Hochtief OBK Vermietungsgesellschaft mbH          | Essen, Alemania            | 52.23 %               |
| Hochtief Offshore Crewing GmbH                    | Essen, Alemania            | 52.23 %               |
| Hochtief Operators Holding LLC                    | Wilmington, Estados Unidos | 52.23 %               |
| Hochtief ÖPP Projektgesellschaft mbH              | Essen, Alemania            | 52.23 %               |
| Hochtief Polska S.A.                              | Varsovia, Polonia          | 52.23 %               |
| Hochtief PPP Europa GmbH                          | Essen, Alemania            | 52.23 %               |
| Hochtief PPP Operations Austria GmbH              | Viena, Austria             | 52.23 %               |
| Hochtief PPP Operations GmbH                      | Essen, Alemania            | 52.23 %               |
| Hochtief PPP Schulpartner Braunschweig GmbH       | Braunschweig, Alemania     | 52.23 %               |
| Hochtief PPP Solutions (Ireland) Ltd.             | Dublin, Irlanda            | 52.23 %               |
| Hochtief PPP Solutions (UK) Ltd.                  | Swindon, Gran Bretaña      | 52.23 %               |
| Hochtief PPP Solutions GmbH                       | Essen, Alemania            | 52.23 %               |
| Hochtief PPP Solutions Netherlands B.V.           | Vianen, Países Bajos       | 52.23 %               |
| Hochtief PPP Solutions North America Inc.         | Wilmington, Estados Unidos | 52.23 %               |
| Hochtief PPP Transport Westeuropa GmbH            | Essen, Alemania            | 52.23 %               |
| Hochtief Projektentwicklung GmbH                  | Essen, Alemania            | 52.23 %               |
| Hochtief SK s.r.o.                                | Bratislava, Eslovaquia     | 52.23 %               |
| Hochtief Solutions Middle East Qatar W.L.L.       | Doha, Qatar                | 25.59 %               |



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## Subsidiaries

| Company   | Registered Office          | % Effective Ownership |
|---|----------------------------|-----------------------|
| Hochtief Solutions Real Estate GmbH                                   | Essen, Alemania            | 52.23 %               |
| Hochtief Solutions Saudi Arabia LLC                                   | Al-Khobar, Arabia Saudi    | 29.59 %               |
| Hochtief Trade Solutions GmbH   | Essen, Alemania            | 52.23 %               |
| Hochtief U.S. Holdings LLC  | Wilmington, Estados Unidos | 52.23 %               |
| Hochtief ViCon GmbH   | Essen, Alemania            | 52.23 %               |
| HTP Immo GmbH   | Essen, Alemania            | 52.23 %               |
| I.B.G. Immobilien- und Beteiligungsgesellschaft Thüringen-Sachsen mbH | Essen, Alemania            | 52.23 %               |
| LOFTWERK Eschborn GmbH & Co. KG                                       | Essen, Alemania            | 52.23 %               |
| Maximiliansplatz 13 GmbH & Co. KG                                     | Essen, Alemania            | 52.23 %               |
| MK 1 Am Nordbahnhof Berlin GmbH & Co. KG                              | Essen, Alemania            | 52.23 %               |
| Perlo Sp. z o.o.  | Varsovia, Polonia          | 52.23 %               |
| prefolio Securitisation S.à r.l.                                      | Wasserbillig, Luxemburgo   | 52.23 %               |
| Project Development Poland 3 B.V.                                     | Amsterdam, Paises Bajos    | 52.23 %               |
| Project SP1 Sp. z o.o.  | Varsovia, Polonia          | 52.23 %               |
| Projektgesellschaft Börsentor Frankfurt GmbH & Co. KG                 | Essen, Alemania            | 52.23 %               |
| Projektgesellschaft Konrad-Adenauer-Ufer Köln GmbH & Co. KG           | Essen, Alemania            | 52.23 %               |
| Projektgesellschaft Marco Polo Tower GmbH & Co. KG                    | Hamburg, Alemania          | 36.56 %               |
| Raststätten Betriebs GmbH   | Viena, Austria             | 52.23 %               |
| Spiegel-Insel Hamburg GmbH & Co. KG                                   | Essen, Alemania            | 52.23 %               |
| synexs GmbH   | Essen, Alemania            | 52.23 %               |
| Tivoli Garden GmbH & Co. KG   | Essen, Alemania            | 52.23 %               |
| Tivoli Office GmbH & Co. KG   | Essen, Alemania            | 52.23 %               |
| TRINAC GmbH   | Essen, Alemania            | 52.23 %               |
| TRINAC Polska Sp. z o.o.  | Varsovia, Polonia          | 52.23 %               |
| ViA6West Service GmbH   | Bad Rappenau, Alemania     | 52.23 %               |

## INDUSTRIAL SERVICES

|  |   |                 |
|--|---|-----------------|
| <b>ACS Servicios Comunicaciones y Energía, S.A.</b>  | <b>Cardenal Marcelo Spínola, 10. 28016 Madrid. España</b>   | <b>100.00 %</b> |
| ACS Industrial Activities, Inc.                      | 1235 North Loop West Suite 1020, Houston, TX 77008. Estados Unidos.   | 100.00 %        |
| Avanzia Instalaciones MX, S.A. de C.V.               | Hamburgo, 213, Planta 15, Colonia Juárez, CP 06600. Ciudad de Méjico. México.   | 100.00 %        |
| B.I. Josebeso, S.A.                                  | Pz Venezuela, Torre Phelps s/n. 1050 Caracas. Venezuela.  | 82.80 %         |
| Cajamarca LT Invest, S.L.                            | Cardenal Marcelo Spínola, 10. 28016. Madrid. España.  | 100.00 %        |
| Cobra Energy Investment Finance, LLC                 | 1235 North Loop West Suite 1020, Houston, TX 77008. Estados Unidos.   | 100.00 %        |
| Cobra Energy Investment, LLC.                        | 1235 North Loop West Suite 1020, Houston, TX 77008. Estados Unidos.   | 100.00 %        |
| Cobra Instalaciones y Servicios Internacional, S.L.  | Cardenal Marcelo Spínola, 10. 28016 Madrid. España  | 100.00 %        |
| Cobra Thermosolar Plants, Inc.                       | 7380 West Sahara Avenue, Suite 160 Las Vegas, Nevada, 89117. Estados Unidos.  | 100.00 %        |
| Concesionaria Desaladora del Sur, S.A.               | Cal. Amador Merino Reyna N° 267 Int. 902 - San Isidro. Perú   | 100.00 %        |
| Crescent Dunes Finance , Inc.                        | 1235 North Loop West Suite 1020, Houston, TX 77008. Estados Unidos.   | 100.00 %        |
| Crescent Dunes Investment, LLC                       | 1235 North Loop West Suite 1020, Houston, TX 77008. Estados Unidos.   | 100.00 %        |
| Energía Renovable de la Península, SAPI de CV        | Paseo Tamarindos 400 B, suite 101. Colonia Bosques Lomas, Cuajimalpa de Morelos. Ciudad de Méjico. México.            | 70.00 %         |
| Energía y Servicios Dinsa I, S.L.                    | Bajo de la Cabezueta, s/n.11510 Puerto Real. Cádiz. España.   | 100.00 %        |
| Energías Ambientales de Oaxaca, S.A.                 | Jose Luis Lagrange N° 103, Piso 8. Colonia Los Morales. Ciudad de Méjico. México.                                     | 100.00 %        |
| Extresol 4, S.A.                                     | Cardenal Marcelo Spínola, 10. 28016. Madrid. España.  | 100.00 %        |
| Geida Beni Saf, S.L.                                 | Cardenal Marcelo Spínola, 10. 28016 Madrid. España  | 100.00 %        |
| Golden State Environmental Tedagua Corporation, S.A. | Cardenal Marcelo Spínola, 10. 28016 Madrid. España  | 100.00 %        |
| Grazigystix Pty Ltd                                  | 1st Floor, Building 9 - St Andrews, Inanda Greens Office Park, 54 Wierda Road West, Sandton, Johannesburg. Sudáfrica. | 65.00 %         |
| Grupo Cobra South Africa Proprietary Limited         | 1st Floor, Building 9 - St Andrews, Inanda Greens Office Park, 54 Wierda Road West, Sandton, Johannesburg. Sudáfrica. | 100.00 %        |
| Hidromanta Invest, S.L.                              | Cardenal Marcelo Spínola, 10. 28016. Madrid. España.  | 100.00 %        |
| Hydro Management, S.L.                               | Avda.Teneniente General Gutierrez Mellado, 9. 30008 Murcia. España  | 79.63 %         |

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## Subsidiaries

| Company   | Registered Office  | % Effective Ownership |
|---|--|-----------------------|
| Instalaciones y Servicios Codeven, C.A.                           | Avda.S.Fco Miranda. Torre Parque Cristal. Torre Este, planta 8. Oficina 8-10. Chacao. Caracas. Venezuela                                     | 100.00 %              |
| Instalaciones y Servicios Spínola III, S.L.U                      | Cardenal Marcelo Spínola, 10. 28016. Madrid. España.   | 100.00 %              |
| Kinkandine Offshore Windfarm Limited                              | 20 Castle Terrace. Edimburgo. Reino Unido (Escocia).   | 90.00 %               |
| LT La Niña, S.A.C.  | Cal. Amador Merino Reyna N° 267 Int. 902 - San Isidro. Perú  | 75.00 %               |
| Manchasol 1 Central Termosolar Uno, S.L.                          | Cardenal Marcelo Spínola, 10. 28016 Madrid. España   | 100.00 %              |
| Mantenimientos, Ayuda a la Explotación y Servicios, S.A. (MAESSA) | Cardenal Marcelo Spínola,10.28016 Madrid. España.  | 100.00 %              |
| Parque Eólico Kiyú, S.A.  | Ruta a Kiyú, km 10, Sección Judicial 6. San José. Uruguay.   | 100.00 %              |
| Parque Eólico Valdehierro, S.L.                                   | Cardenal Marcelo Spínola, 10. 28016 Madrid. España   | 100.00 %              |
| Península Wind Holding, S.L.                                      | Cardenal Marcelo Spínola, 10. 28016. Madrid. España.   | 100.00 %              |
| Peruana de Inversiones en Energía Renovables, S.A.                | Cal. Amador Merino Reyna N° 267 Int. 902 - San Isidro. Perú  | 100.00 %              |
| Pilot Offshore Renewables Limited                                 | 20 Castle Terrace. Edimburgo. Reino Unido (Escocia).   | 90.00 %               |
| Pío XII Industrial División Brit Assets, S.L.U.                   | Cardenal Marcelo Spínola, 10. 28016.. Madrid. España.  | 100.00 %              |
| Pío XII Industrial División Global Assets, S.A.U.                 | Cardenal Marcelo Spínola, 10. Madrid. España.  | 100.00 %              |
| Planta de Tratamiento de Aguas Residuales, S.A.                   | Cal. Amador Merino Reyna N° 267 Int. 902 - San Isidro. Perú  | 100.00 %              |
| Railways Infraestructures Instalac y Servicios LLC                | Alameer Sultan Street North, Alnaeem dist. (4), Ahmed Al-Hamoody Street Building no. (8) Jeddah. Arabia Saudi                                | 100.00 %              |
| Saneta Luz S.L  | Cardenal Marcelo Spínola, 10. 28016. Madrid. España.   | 100.00 %              |
| Sativa Green Plant, S.L.  | Cardenal Marcelo Spínola, 10. 28016. Madrid. España.   | 100.00 %              |
| Sedmive, C.A. (Sociedad Española Montajes Industriales Venezuela) | Av. Francisco de Miranda, con Av. Eugenio Mendoza, Edf. Sede Gerencial La Castellana, Piso 8, Oficina 8A, La Castellana. Caracas. Venezuela. | 100.00 %              |
| Servicios Compresión de Gas CA-KU-A1, S.A.P.I. de C.V.            | Jose Luis Lagrange, 103, P8 Col. Polanco I sección Deleg. Miguel Hidalgo. México D.F. México.  | 100.00 %              |
| Spinning Assets, S.L.U  | Cardenal Marcelo Spínola 10. Madrid 28016. España.   | 100.00 %              |
| Tejavana Fotovoltaica Canaria, S.L.U.                             | Procesador, 19. Telde 35200 Las Palmas. Islas Canarias. España   | 100.00 %              |
| Tesca Ingeniería del Ecuador, S.A.                                | Avda. 6 de diciembre N37-153 Quito. Ecuador  | 100.00 %              |
| Tonopah Solar Energy, LLC   | 11 Gabbs Pole Line Rd Box 1071, Tonopah, NV 89049. Estados Unidos.   | 100.00 %              |
| Venezolana de Limpiezas Industriales, C.A. (VENELIN)              | Pz Venezuela, Torre Phelps s/n. 1050 Caracas. Venezuela.   | 82.80 %               |
| Vientos del Pastore, S.A  | Luis Alberto de Herrera 1052, Oficina 1402. Montevideo. Uruguay.   | 90.00 %               |
| Zero-E Spanish PV 2   | Cardenal Marcelo Spínola 10. Madrid. España.   | 100.00 %              |

## SERVICES

|  |  |                 |
|--|--|-----------------|
| <b>ACS Servicios y Concesiones, S.L.</b> | <b>Avda. Camino de Santiago, 50.28050 Madrid. España.</b>                      | <b>100.00 %</b> |
| <b>Clece, S.A.</b>                       | <b>Avda. Manoteras, 46 Bis 2ª Planta. 28050 Madrid. España.</b>                | <b>100.00 %</b> |
| Accent Social, S.L.                      | C/ Josep Ferrater y Mora 2-4 2ª Pl. 08019 - Barcelona. España.                 | 100.00 %        |
| All Care (GB) Limited                    | West Wing, 17th Floor, 389 Chiswick High Road, W4 4AL. Londres. Reino Unido.   | 100.00 %        |
| Atende Servicios Integrados, S. L.       | Avda. República Argentina, 21-Bº 3ª planta Oficina 9 CP 41011 Sevilla. España. | 100.00 %        |
| Avio Soluciones Integradas, S.A.         | Avda Manoteras, 46 Bis 1ª Planta.28050 Madrid. España.                         | 100.00 %        |
| Call-In Homecare Limited                 | Bonnington Bond (Suite 70), 2 Anderson Pl, EH6 5NP. Edimburgo. Reino Unido.    | 100.00 %        |
| Care Relief Team Limited                 | 13 Hope Street, Crook, Co Durham, England, DL15 9HS. Durham. Reino Unido.      | 100.00 %        |
| Clece Care Services, Ltd.                | West Wing, 17th Floor, 389 Chiswick High Road, W4 4AL. Londres. Reino Unido.   | 100.00 %        |
| Clece Seguridad S.A.U.                   | Avda. de Manoteras, 46, Bis 1ª Pl. Mod. C 28050 Madrid. España.                | 100.00 %        |
| Clece Vitam S.A.                         | Av. Manoteras, 46 Bis 1ª Planta. 28050.. Madrid. España.                       | 100.00 %        |
| Clece Vitam, S.A. (Portugal)             | Concelho de Oeiras, Lisboa. Lisboa. Portugal.                                  | 100.00 %        |
| Clece, S.A. (Portugal)                   | Concelho de Oeiras.Lisboa. Portugal.   | 100.00 %        |
| Dale Care Ltd.                           | Hope Street, 13. Crook. Reino Unido.   | 100.00 %        |
| Diamond Quality Care Services Limited    | West Wing, 17th Floor, 389 Chiswick High Road, W4 4AL. Londres. Reino Unido.   | 100.00 %        |
| Eleva2 Comercializadora S.L.             | Avenida de Manoteras. 46 BIS 2 Planta 2. 28050 Madrid. España.                 | 100.00 %        |
| Enequip Serveis Integrals S.L.           | C/ Calçat, 6 1ª Planta Edificio Tolero 07011 - Palma de Mallorca España        | 100.00 %        |
| Hartwig Care Ltd.                        | West Wing, 17th Floor, 389 Chiswick High Road, W4 4AL. Londres. Reino Unido.   | 100.00 %        |

## APPENDIX I

## Subsidiaries

| Company   | Registered Office  | % Effective Ownership |
|---|--|-----------------------|
| HazelHead Home Care Limited   | Bonnington Bond (Suite 70), 2 Anderson Pl, EH6 5NP. Edimburgo. Reino Unido.  | 100.00 %              |
| Homecarers (Liverpool) Limited  | 8 Childwall Valley Road. Liverpool. Reino Unido.   | 100.00 %              |
| Ideal Complex Care, Ltd.  | West Wing, 17th Floor, 389 Chiswick High Road, W4 4AL. Londres. Reino Unido.   | 100.00 %              |
| Inserlimp Soluciones S.L.   | C/ Cabeza Mesada 5 Pta. 4ª Dcha. 28031. Madrid. España.  | 100.00 %              |
| Integra Formación Laboral y Profesional, S.L.   | C/ Cabeza Mesada 5 Pta. 4ª Dcha. 28031. Madrid. España.  | 100.00 %              |
| Integra Logística, Mantenimiento, Gestión y Servicios Integrados Centro Especial de Empleo, S.L.          | C/ Cabeza Mesada 5 Pta. 4ª Dcha. 28031. Madrid. España.  | 100.00 %              |
| Integra Manteniment Gestio i Serveis Integrats Centre Especial D'Ocupacio Illes Balears, S.L. Unipersonal | C/ Maquinaria, 4 - 2ª Planta Oficina nº1. 07011 Palma de Mallorca 07008 Islas Baleares. España.                            | 100.00 %              |
| Integra Manteniment, Gestio i Serveis Integrats, Centre Especial de Treball, Catalunya, S.L.              | c/ Josep Ferrater i Mora, 2-4, planta 3, módulo B 08019 Barcelona.España   | 100.00 %              |
| Integra Mantenimiento, Gestión Y Servicios Integrados Centro Especial de Empleo Andalucía, S.L.           | Polígono Industrial PISA C/ Industria, 1 -Edif. Metropoli I Pta.2ª Mod 15-16 CP 41927 Mairena de Aljarafe. Sevilla. España | 100.00 %              |
| Integra Mantenimiento, Gestión y Servicios Integrados Centro Especial de Empleo Galicia S.L.              | Centro de Negocios BCA-28 Calle Copérnico, 6 Polígono Industrial A Grela, Oficina 6 y 7 15008. A Coruña. España            | 100.00 %              |
| Integra Mantenimiento, Gestión y Servicios Integrados Centro Especial de Empleo Murcia, S.L.              | Avda. Abenarabi, 28, Torre Damasco, oficina 3, CP 30008.. Murcia. España.  | 100.00 %              |
| Integra Mantenimiento, Gestión y Servicios Integrados Centro Especial de Empleo Valencia, S.L.            | C/ Músico José orti Soriano, 18 Pta. BJ 46900 - Torrent. Valencia. España  | 100.00 %              |
| Integra Mantenimiento, Gestión y Servicios Integrados Centro Especial de Empleo, S.L.                     | C/ Cabeza Mesada 5 Pta. 4ª Dcha. 28031. Madrid. España.  | 100.00 %              |
| Integra Mantenimiento, Gestión y Servicios Integrados Extremadura Centro Especial de Empleo, S.L.U.       | C/ Luis Alvarez Lencero, 3 Edif. Eurodom 5.Badajoz 06011. Extremadura. España.   | 100.00 %              |
| Klemark Espectaculos Teatrales, S.A.  | Avda. Landabbarri, 4, Leioa. Vizcaya. España.  | 100.00 %              |
| Koala Soluciones Educativas, S.A.   | Avda Manoterías, 46 Bis 1ª Planta.28050. Madrid. España.   | 100.00 %              |
| Lauriem Complete Care Limited   | Suite B, Cobdown House, London Road Ditton. Aylesford. Reino Unido.  | 100.00 %              |
| Limpiezas Deyse, S.L.   | C/ Lérida, 1. Manresa. Barcelona. España   | 100.00 %              |
| Lirecan Servicios Integrales, S.A.  | C/ Ignacio Ellacuría Beascochea, 23-26 Planta 2, Playa del Hombre.Telde. Las Palmas. España.                               | 100.00 %              |
| Multiserveis Ndvant, S.L.   | C/Josep Ferrater i Mora, 2-4 Barcelona. España.  | 100.00 %              |
| Multiservicios Aeroportuarios, S.A.   | Avda. Manoterías 46 Bis 2ª Planta. 28050 Madrid. España  | 51.00 %               |
| NV Care Ltd.  | West Wing, 17th Floor, 389 Chiswick High Road, W4 4AL. Hounslow. Reino Unido.  | 100.00 %              |
| Perfect Care (HOLDINGS) Limited   | Lumley House Whitfield Court St. Johns Road, Meadowfield Ind Estate, DH7 8XL. Durham. Reino Unido.                         | 100.00 %              |
| Perfect care Limited  | Lumley House Whitfield Court St. Johns Road, Meadowfield Ind Estate, DH7 8XL. Durham. Reino Unido.                         | 100.00 %              |
| R & L Healthcare, Ltd.  | West Wing, 17th Floor, 389 Chiswick High Road, W4 4AL. Londres. Reino Unido.   | 100.00 %              |
| Richmond 1861, S.L.   | Avda. Movera, 600.50016 - Zaragoza. España.  | 100.00 %              |
| Samain Servizos a Comunidade, S.A.  | Pza. América,1, bloque 1, 1ª Pta, 36211.. Vigo. España.  | 100.00 %              |
| Senior Servicios Integrales, S.A.   | Avda Manoterías, 46 Bis 1ª Planta.28050. Madrid. España.   | 100.00 %              |
| Serveis Educatius Cavall de Cartró, S.L.  | C/ Josep Ferrater y Mora, 2-4 2ª Pl. 08019 - Barcelona. España.  | 100.00 %              |
| Serveis Integrals Lafuente, S.L.  | Parque Tecnológico C/. Alessandro Volta 2-4-6 Bloq 3. 46980 Paterna, Valencia. España.                                     | 100.00 %              |
| StarCare Limited  | West Wing 17th Floor, 389 Chiswick High Road, London, England, W4 4AL. London. Reino Unido.                                | 100.00 %              |
| Talher, S.A.  | C/ Quintanavides, 19 edificio 4 1ª planta. 28050. Madrid. España.  | 100.00 %              |
| Universal Care Services (UK) Limited  | West Wing, 17th Floor, 389 Chiswick High Road, W4 4AL. Londres. Reino Unido.   | 100.00 %              |
| Zaintzen, S.A.U.  | Landabbarri Zeharbidea 3 Zbekia, 4ª Pisia G.48940 Leioa (Bizkaia). España.   | 100.00 %              |
| Zenit Logistics S.A.  | Avda. de Manoterías, 46 Bis.28050 Madrid. España.  | 100.00 %              |

## APPENDIX II

### UTE's/EIG's

| UTE / EIG   | Address   | % Effective Ownership | Revenue 100% |
|---|---|-----------------------|--------------|
| <b>Thousand euros</b>                               |   |                       |              |
| <b>INFRASTRUCTURES - DRAGADOS</b>                   |   |                       |              |
| Yesa  | Cl. Rene Petit, 25 - Yesa                                   | 33.33 %               | 11,201       |
| Estructura Sagrera Ave                              | Cl. Vía Laietana, 33, 5ª Planta - Barcelona                 | 33.50 %               | 29,806       |
| Sector 2  | Cl. Gran Vía, 53 - Bilbao                                   | 85.00 %               | 43,088       |
| HS2 Euston Station                                  | Cl. Moorgate, 155 - Londres                                 | 50.00 %               | 168,329      |
| Consorcio Constructor Metro Lima                    | Av. de la República de Colombia 791 - Lima                  | 35.00 %               | 210,551      |
| Hospital de Guadalajara                             | Av. Camino de Santiago, 50 - Madrid                         | 50.00 %               | 10,398       |
| El Reguerón   | Cl. General Pardiñas, 15 - Madrid                           | 33.33 %               | 27,259       |
| Embalse de Amudevar                                 | Cl. Antonio Valcarreres, 1 - Zaragoza                       | 26.00 %               | 29,640       |
| MIV Lote Norte                                      | Cl. Francisco Gervás, 14 - 1ªA - Madrid                     | 100.00 %              | 18,967       |
| MIV Centro  | Av. Camino de Santiago, 50 - Madrid                         | 29.00 %               | 19,462       |
| MIV Noroeste  | Cl. Viriato 47 - 3º - Barcelona                             | 5.00 %                | 28,231       |
| Sierrapando   | Av. Camino de Santiago, 50 - Madrid                         | 70.00 %               | 20,520       |
| Mantenimiento Madrid - Sur Lote 1                   | Av. Europa 18 - Parque Empresarial la Moraleja - Alcobendas | 50.00 %               | 10,218       |
| Estación Chamartin Vías - Azvi                      | Av. Camino de Santiago, 50 - Madrid                         | 55.00 %               | 21,065       |
| Mantenimiento Ave                                   | Cl. Zafiro, s/n Edif. 1. 28021 - Madrid                     | 14.86 %               | 16,581       |
| Mantenimiento Lote 2 Noroeste                       | Cl. Federico Echevarría, 1 - León                           | 17.00 %               | 21,479       |
| Lote 7 Ram  | Cl. Julián Camarillo, 6 - Madrid                            | 35.00 %               | 15,623       |
| 3rd Track Constructors                              | 900 Merchants Concourse, Westbury, NY 11590                 | 23.00 %               | 322,930      |
| GCT Constructors                                    | 150 Meadowlands Pkwy, Secaucus, NJ 07094                    | 100.00 %              | 13,795       |
| Skanska Picone 26W-20                               | 75-20 Astoria Blvd, Suite 200, East Elmhurst, NY 11370      | 35.00 %               | 14,501       |
| Bay Park Conveyance                                 | 2 Marjorie Lane, East Rockaway, NY 11518-2020               | 70.00 %               | 80,678       |
| Hampton Roads                                       | 240 Corporate Blvd., Norfolk, VA 23502                      | 42.00 %               | 436,495      |
| HSR 2-3   | 1610 Arden Way, Suite 175, Sacramento, CA 95815             | 50.00 %               | 305,828      |
| Gordie Howe Int'l Bridge                            | 1001 Springwells Ct, Detroit, MI, 48209                     | 40.00 %               | 205,819      |
| I-16 at I-95 Interchange                            | 20 Martin Court, Savannah, GA 31419                         | 100.00 %              | 48,973       |
| Chesapeake Tunnel                                   | 2377 Ferry Road, Virginia Beach, VA 23455                   | 100.00 %              | 50,175       |
| Harbor Bridge                                       | 500 N. Shoreline Blvd, Suite 500, Corpus Christi, TX 78401  | 50.00 %               | 113,936      |
| Isabella Lake Dam                                   | 2959 Eve Avenue - Lake Isabelle, CA 93240                   | 35.00 %               | 103,251      |
| I2/I69C Interchange                                 | 1708 Hughes Landing Blvd, The Woodlands, TX 77380           | 100.00 %              | 69,085       |
| Automated People Mover                              | 2959 Eve Avenue - Lake Isabelle, CA 93240                   | 20.00 %               | 411,219      |
| Broadway Curve                                      | 3157 East Elwood, Phoenix, AZ 85034                         | 40.00 %               | 65,794       |
| Unionport Constructors                              | 150 Meadowlands Pkwy, Secaucus, NJ 07094                    | 55.00 %               | 25,812       |
| Potomac Yards Constructors                          | 421 E. Route 59, Nanuet, NY 10954                           | 40.00 %               | 20,693       |
| New Bridge Sant Lawrence                            | 2015 Rue Peel, Montreal Quebec H3A 1T8                      | 25.00 %               | 45,581       |
| Eglinton Crosslinx Transit Solutions - Constructors | 4711 Yonge St, Suite 1500, Toronto M2N 7E4                  | 25.00 %               | 353,212      |
| Link 427  | 1 Royal Gate Boulevard, Unit G, Woodbridge, ON L4L 8Z7      | 50.00 %               | 35,140       |
| Ottawa LRT Constructors OLRT Phase II               | 1600 Carling Avenue, Suite 450, PO Box 20, Ottawa K1Z 1G3   | 33.33 %               | 14,143       |
| White Rose SNC-DRAGADOS-PENNECON G.P.               | 1133 Topsail Road, Mount Pearl, Newfoundland, A1N 5G2       | 40.00 %               | 35,730       |
| REM   | 1140 boulevard de Maissonneuve, Montreal, Quebec H3A 1M8    | 24.00 %               | 887,610      |
| Finch - Mosaic Transit Constructors GP              | 150 King Street West, Suite 2103, Toronto M5H 1J9           | 33.33 %               | 315,290      |
| Gordie Howe - BNA Constructors Canada GP            | 150 King Street West, Suite 2103, Toronto M5H 1J9           | 40.00 %               | 363,593      |
| Site C- Aecon-Flatiron-Dragados-EBC Partnership     | 1055 Dunsmuir Street, Suite 2124, Vancouver, BC V7X1G4      | 27.50 %               | 358,138      |
| Centennial Expansion Partners                       | 851 Centennial Road, Vancouver, BC V6A 1A3                  | 60.00 %               | 95,709       |

## APPENDIX II

### UTE's/EIG's

| UTE / EIG                            | Address   | % Effective Ownership | Revenue 100% |
|--------------------------------------|---|-----------------------|--------------|
| <b>Thousand euros</b>                |   |                       |              |
| Eglinton West Advance Tunnel Project | 20 Carlson Court, Suite 105, Toronto, ON M9W7K6 | 40.00 %               | 43,519       |

### INFRASTRUCTURES - HOCHTIEF

|  |                         |         |         |
|--|-------------------------|---------|---------|
| ARGE A7 Tunnel Altona                          | Hamburg, Germany        | 65.00 % | 40,500  |
| ARGE BAUARGE A6 West                           | Heilbronn, Germany      | 60.00 % | 65,083  |
| ARGE BMG Berlin                                | Berlin, Germany         | 50.00 % | 59,636  |
| ARGE Ersatzneubau K30                          | Hamburg, Germany        | 75.00 % | 17,657  |
| ARGE SBT 1.1 Tunnel Gloggnitz                  | Gloggnitz, Austria      | 40.00 % | 103,110 |
| ARGE Tunnel Rastatt                            | Ötigheim, Germany       | 50.00 % | 34,138  |
| ARGE U2/22 x U5/2 Rathaus/Frankplatz           | Vienna, Austria         | 33.33 % | 35,325  |
| ARGE U-Bahn Nürnberg U3 SW BA 2.2              | Nuremberg, Germany      | 50.00 % | 35,871  |
| ARGE VE41 Hp Marienhof                         | Munich, Germany         | 50.00 % | 25,570  |
| BAB A100, 16. Bauabschnitt                     | Berlin, Germany         | 50.00 % | 12,827  |
| Citylink                                       | Danderyd, Sweden        | 50.00 % | 30,828  |
| CRSH1 – Sydhavn                                | Copenhagen, Denmark     | 50.00 % | 150,826 |
| London Power Tunnels Phase 2                   | London, United Kingdom  | 50.00 % | 136,480 |
| Praha – Pojezdová dráha TWY+stání OP Jih       | Prague, Czech Republic  | 40.00 % | 19,238  |
| Quay Wall Amalia Harbour – Civil Works Package | Amstelveen, Netherlands | 50.00 % | 16,124  |
| Stuttgart 21 PFA 1. Los 3 Bad Cannstatt        | Stuttgart, Germany      | 40.00 % | 25,991  |
| VIA15 (A12/A15)                                | Utrecht, Netherlands    | 25.00 % | 70,970  |
| Zuidasdok                                      | Amsterdam, Netherlands  | 42.50 % | 15,922  |

## APPENDIX III

### CHANGES IN THE CONSOLIDATION PERIMETER

The main companies included in the consolidation perimeter are as follows:

Humiclíma Grenada, Ltd.  
 Road Management Services Operations Ltd (A13)  
 Cobra Tecton Private Limited  
 Libergia, S.L.  
 Aratel Energías Renovables, S.L.  
 Parking libre sistema de reservas, S.L.  
 Richards Bay Gas Power 2 Pty  
 Dragados Norge AS  
 Via6West Betriebsverwaltungsgesellschaft mbH  
 Pulice / FNF / Flatiron JV  
 Structure Tone - Turner JV  
 Rail & Truck Strait Union, S.L.  
 Villonacoenergy, S.A.  
 Ingwepath Pty  
 Istofon Pty  
 AMR 1 Energías Renovables, S.L.  
 AMR 2 Energías Renovables, S.L.  
 AMR 3 Energías Renovables, S.L.  
 AMR 4 Energías Renovables, S.L.  
 AMR 5 Energías Renovables, S.L.  
 Dunas Transmissão de Energia, S.A.  
 AMR 6 Energías Renovables, S.L.  
 AMR 7 Energías Renovables, S.L.  
 AMR 8 Energías Renovables, S.L.  
 AMR 9 Energías Renovables, S.L.  
 AMR 10 Energías Renovables, S.L.  
 AMR 11 Energías Renovables, S.L.  
 AMR 12 Energías Renovables, S.L.  
 AMR 13 Energías Renovables, S.L.  
 Vive Energía Suministro SAPI de CV  
 Proyecto Zirconio, S.L.  
 Proyecto Mendelerio, S.L.  
 Proyecto Estroncio, S.L.  
 Proyecto Tantalio, S.L.  
 Proyecto Holmio, S.L.  
 Proyecto Berilio, S.L.  
 Proyecto Selenio, S.L.  
 Proyecto Francio, S.L.  
 Proyecto Rubidio, S.L.  
 Proyecto Flerovio, S.L.  
 StarCare Limited  
 Prefolio Securitisation S.a.r.l  
 Nexlore Technology S.L.  
 Alloy Fab Pty Ltd  
 Capstone Infrastructure Finance Pty Ltd  
 Icc Mining Pty Ltd  
 Industrial Composites Engineering Pty Ltd  
 Innovative Asset Solutions Group Ltd  
 Jet-Cut Pty Ltd

## APPENDIX III

### CHANGES IN THE CONSOLIDATION PERIMETER

UGL Solutions Pty Limited  
 Bintai - Leighton JV  
 CPB Ghella UGL JV  
 Turner UJAMAA Atlanta Airport JV  
 CL RJ 004 004 Empreendimentos e Participações S.A.  
 Pirapora 1 GD Parque Solar, S.A.  
 Aracuai 1 GD Parque Solar, S.A.  
 Varjao de Minas 1 GD Parque Solar, S.A.  
 Bocauiua 1 GD Parque Solar, S.A.  
 Mirabela 1 GD Parque Solar, S.A.  
 Belmonte Solar Holding, S.A.  
 Cristino Castro Holding, S.A.  
 Turner-MCN St Elizabeths New Hospital JV  
 Turner Pike Joint Venture  
 Saturn Partner LLC  
 Turner - One Way  
 Cimic Group Investments No.3 Pty Limited  
 Icc Infrastructure Pty Ltd  
 Leighton Companies Management Group Llc  
 Leighton Contractors (Philippines), Inc.  
 Leighton Services Uae Co Llc  
 Pacific Partnerships Investments 2 Pty Ltd  
 Pacific Partnerships Investments 2 Trust  
 Thai Leighton Limited  
 CPB Downer EDI JV  
 Etra Colombia, S.A.S.  
 Madrid PV (Pty) Ltd.  
 Sativa Green Plant, S.L.  
 Mundo Novo Solar Holding, S.A.  
 Eólica del Caribe Mexicano, S.A. de C.V.  
 Xadrez Renovaveis Holding, S.A.  
 Gordonia Solar PV (Pty)  
 Duneveld PV (Pty) Ltd.  
 Hari PV (Pty) Ltd.  
 Bushmanland PV (Pty) Ltd.  
 CS Gas North, S.L.  
 Cymi Transmissão de Energia, S.A.  
 IRTE - Integrateur de Reseaux Tele, S.A.S.  
 Etra Air, S.L.  
 Cobra South Africa Gas Pty  
 Cobra South Africa Holdings Pty  
 Control de Seguridad Inteligente, S.L.  
 Perfect Care (HOLDINGS) Limited  
 Perfect care Limited  
 Glenrowan Solar Farm Pty Ltd  
 Glenrowan Solar Holdings Pty Ltd  
 Itco Pty Ltd  
 Pacific Partnerships Energy Pty Ltd  
 IEC Boardwalk JV  
 Spark NEL DC JV  
 IC Integrity Pty. Ltd.

## APPENDIX III

### CHANGES IN THE CONSOLIDATION PERIMETER

Flatiron / United JV  
 Clark Turner Dawson Creek JV  
 Mckissack Turner Velez A Tri Venture  
 Gilbane Turner JV  
 Turner - Janey Joint Venture  
 Turner-d'Escoto-Powers & Sons-Cullen Joint Venture (Chicon Collaborative)

### The main companies no longer included in the consolidation perimeter are as follows:

Electren USA Inc.  
 Etar da guia ACE  
 Grafic Planet Digital, S.A.U.  
 Transmissora José Maria de Macedo de Electricidade, S.A.  
 Cobra Energy  
 Cobra Azerbaiyan LLC  
 Iridium Colombia Concesiones Viarias SAS  
 Iridium Colombia Desarrollo de Infraestructuras  
 Parque Eólico Tadeas, S.L.  
 Turner/Ozanne  
 Turner Regency  
 Turner/Commercial/Mahogany Tri-Venture  
 BE&K - Turner  
 Turner-Arellano Joint Venture  
 Turner/Smoot  
 Turner/Goodfellow Top Grade/Flatiron  
 Turner Executive CNA Joint Venture  
 Cmena No. 1 Pty Limited  
 Inspection Testing And Certification Pty Ltd  
 Olympic Dam Maintenance Pty Ltd  
 Railfleet Maintenance Services Pty Ltd  
 United Goninan Construction Pty Ltd  
 United Group Infrastructure (Services) Pty Ltd  
 United Group International Pty Ltd  
 United Group Melbourne Transport Pty Ltd  
 United Group Water Projects (Victoria) Pty Ltd  
 United Group Water Projects Pty Ltd  
 United Kg Construction Pty Ltd  
 United Kg Engineering Services Pty Ltd  
 United Kg Maintenance Pty Ltd  
 BIC Contracting LLC  
 BIC Wooden Decor Products Manufacturing Llc  
 Gulf Leighton Llc  
 Leighton Contracting (Abu Dhabi) LLC  
 BIC Auto Service Centre LLC  
 Leighton Middle East Contracting LLC (KSA)  
 Leighton Middle East LLC (Oman)  
 Building Infrastructure Contracting WLL  
 Leighton Contracting WLL – Qatar  
 Habtoor Murray Roberts (HMR)  
 Landmark  
 Vias Canada Inc.



## APPENDIX III

### CHANGES IN THE CONSOLIDATION PERIMETER

Semi Engineering and Construction Corporation  
 Humiclíma USA Inc.  
 Humiclíma Haiti, S.A.  
 Brilhante Transmissora de Energias, S.A.  
 Brilhante Transmissora de Energias 2, S.A.  
 Família Concilia Serviços para el Hogar, S.L.  
 Continental Rail, S.A.  
 Construrail, S.A.  
 Sicsa Rail Transport, S.A.  
 Rail & Truck Strait Union, S.L.  
 Leighton Companies Management Group Llc  
 Leighton Contractors (Philippines), Inc.  
 Leighton Contractors Asia (Cambodia) Co., Ltd  
 Leighton Services Uae Co Llc  
 Mtct Services Pty Ltd  
 Thai Leighton Limited  
 Metacon Technology Solutions, LLC  
 LightHorse Innovation Corporation (Formerly: 1887719 Alberta Ltd.)  
 Mideast Construction Services, Inc.  
 Nalanda Global, S.A.  
 Cymimasa, S.A.  
 Libergia, S.L.  
 Hochtief Development Hungary Kft.  
 Hochtief Presidio Holding Llc  
 Golden Link Concessionaire Llc  
 Devine Building Management Services Pty Ltd  
 Leighton Contractors (China) Limited  
 Sedgman Malaysia Sdn Bhd  
 UGL Rail Fleet Services Pty Limited  
 LCIP Co-Investment Unit Trust  
 Mulba Mia Leighton Broad Joint Venture  
 Leighton - China State - Van Oord Joint Venture  
 New Generation Systems S.R.L.  
 Innovantis, S.A.  
 Brisa Esparsa - Energias Renováveis Unipessoal, Lda.  
 Celtic Roads Group (Waterford) Limited  
 Sarl Ofiteco Argelia  
 Sice Llc.  
 Sociedad Ibérica de Construcciones Eléctricas en Chile, Spa  
 Telcarrier, S.A.  
 Liquefine, S.L.  
 Sete Lagoas Transmissora de Energia Ltda.  
 Giovanni Sanguinetti Transmissora de Energia, S.A.  
 Veredas Transmissora de Electricidade, S.A.  
 Maessa France SASU  
 Heath Lodge Care Servis LTD  
 Central Solar Termoeléctrica Cáceres, S.A.U.  
 Bonete Fotovoltaica 1, S.L.U.  
 Geocisa USA Inc.  
 Dragados Obra Civil y Edificac México S.A de C.V.  
 Acainsa, S.A.

## APPENDIX III

### CHANGES IN THE CONSOLIDATION PERIMETER

Lucampa, S.A.  
 Gestifisa, S.A. Unipersonal  
 Residencial Leonesa, S.A. Unipersonal  
 Switchgear & Substation Alliance Ltd.  
 CIS-WRC, LLC  
 Cobra Servicios, Comunicaciones y Energía, S.L.U.  
 Vetra MPG Holdings, 2 LLC.  
 Vetra MPG Holdings, LLC  
 Cobra Instalaciones y Servicios, S.A.  
 Cobra Infraestructuras Internacional, S.A.  
 Argencobra, S.A.  
 Atil-Cobra, S.A.  
 Cobra Bolivia, S.A.  
 Emplogest, S.A.  
 Serpista, S.A.  
 Gerovitae La Guancha, S.A.  
 Cobra Servicios Auxiliares, S.A.  
 Humiclíma Est, S.A.  
 Humiclíma Caribe Cpor A.Higüey  
 Humiclíma Jamaica Limited  
 Humiclíma Mexico, S.A. de C.V.  
 Opade Organizac. y Promoc de Actividades Deport, S.A.  
 Cobra Sistemas de Seguridad, S.A.  
 Coinsmar Instalaciones y Servicios SARLAU  
 Cobra Sistemas y Redes, S.A.  
 Hidráulica del Chiriqui, S.A.  
 Iberoamericana de Hidrocarburos, S.A. de C.V.  
 Cobra Chile Servicios, S.A.  
 Avanzia Areas Territoriales, S.A. de C.V.  
 Cobra Perú, S.A.  
 Cobra Industrial Activities, Inc.  
 Cobra Proyectos Singulares, S.A.  
 Servicios Logísticos y Auxiliares de Occidente, S.A.  
 Soluciones Auxiliares de Guatemala, S.A.  
 Soluc Eléctricas Integr de Guatemala, S.A.  
 Humiclíma Panamá, S.A.  
 Cobra Brasil Serviços, Comunicações e Energia, S.A.  
 Instalaciones de Construcción Cobra, S.A.  
 Consorcio Especializado Medio Ambiente, S.A.de C.V  
 Repotenciación C.T. Manzanillo, S.A. de C.V.  
 Ing d Transp y Distrib de Energ Elect, S.L. (Intradel)  
 COICISA Industrial, S.A. de C.V.  
 Instalaciones y Servicios INSERPA, S.A.  
 Moncobra, S.A.  
 Concesionaria Angostura Sigüas, S.A.  
 Hidráulica Río Piedra, S.A.  
 Remodelación el Sauz, S.A. de C.V.  
 Actividades y Servicios, S.A.  
 Trigeneración Extremeña, S.L.  
 Planta de Reserva Fría Eten, S.A.  
 Spcobra Instalações e Serviços, Ltda.

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### CHANGES IN THE CONSOLIDATION PERIMETER

Cobra Great Island Limited  
 Cobra Georgia, Llc.  
 Engemisa Engenharia Limitada  
 Cobra Group Australia Pty Ltd.  
 Taxway, S.A.  
 Moncobra Constructie si Instalare, S.R.L.  
 Moncobra Dom  
 Instalaciones y Servicios Uribe Cobra, S.A. de C.V  
 EPC Plantas Fotovoltaicas Lesedi y Letsatsi, S.L.  
 Conyceto Pty, Ltd.  
 Firefly Investments 261  
 Remodelación Diesel Cadereyta, S.A. de C.V.  
 Cogeneración Cadereyta, S.A. de C.V.  
 Cobra Construcciones y Servicios Perú, S.A.  
 Cobra Railways UK Limited  
 Tedagua Mexico, S.A. de C.V.  
 Alianz Petroleum S de RL de CV  
 Monclova Pirineos Gas, S.A. de C.V.  
 Petrolíferos Tierra Blanca S.A., de C.V.  
 Oleorey, S.A. de C.V.  
 Conyblox Proprietary Limited  
 Dankocom, Pty Ltd  
 Avanzia Operaciones S.A. de C.V.  
 Avanzia Recursos Administrativos,S.A. de C.V.  
 ASON Electrónica Aeronautica S.A.  
 Petrointegral S.A.P.I. de C.V.  
 Oilserv S.A.P.I. de C.V.  
 Avanzia S.A de C.V.  
 Dragados Proyectos Industriales de Méjico S.A. de  
 Serpimex S.A. de C.V.  
 Comercial y Servicios Larco S.A.  
 Cobra Brasil Construcoes, S.A.  
 O&M Plantas Fotovoltaicas Lesedi y Letsatsi, S.L.  
 Fides Facility Services, S.L.  
 Gercobra GMBH, S.L.  
 Cobra Industrial Services Pty  
 O&M Lesedi PV Plant Pty Ltd  
 O&M Letsatsi PV Plant Pty Ltd  
 Tedagua Singapore Pte.Ltd.  
 Al Hamra Water Co LLC  
 Humiclíma Barbados, Ltd  
 Fides Hispalía Servicios Generales, S.L.  
 Afelco Engineering, S.L.  
 Cobra Wind Intenacional, Ltd  
 Cobra Instalaciones y Servicios Malaysia SDN BHD  
 Cobra Infraestructuras Hidráulicas Peru, S.A.  
 Mantiqueira Trasmisora de Energia, S.A.  
 Iberoamericana de Hidrocarburos CQ Exploración & Producción, S.A.S.  
 Avanzia Sistemas, S.A. de C.V.  
 Humiclíma St Lucia, Ltd  
 Iberoamericana Hidrocarburos CQ Exploración & Producción, S.A C.V.

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### CHANGES IN THE CONSOLIDATION PERIMETER

Red Eléctrica del Norte, S.A.  
 Caitan Spa  
 Seratype  
 Cobra Cote D'Ivoire Sarl  
 Avanzia Exploración y Producción, S.A. de C.V.  
 Instalac y Serv Uribe-Cobra Panama, ISUC Panama, S.A.  
 Cuyabenopetro, S.A.  
 Grupo Cobra East Africa Limited  
 Servicios Integrales de Mantenimiento, S.A.  
 Soluciones logísticas Auxiliares, S.A.  
 Soluciones Eléctricas Auxiliares, S.A.  
 Istoguard Pty Ltd  
 Ingweguard Pty Ltd  
 Cobra Oil & Gas, S.L.U.  
 Cobra Industrial Japan, Co Ltd.  
 Cobra Tedagua Contracting LLC  
 GS Oil and Gas SAPI de CV  
 Fides Acerca Facility Services, S.L.  
 Construcciones de las Conducciones, S.A.U. (Cotronic)  
 Cymi Mejico Sc, S.A. de C.V.  
 Fides Facility Services, S.A.  
 Cobra Industrial Services, LLC  
 Maessa Naval, S.L.U.  
 Offshore Wind Limited  
 Taif Independent Water Plant  
 Energia e Sust. Do Brasil, S.A.  
 Humiclíma Est Benin  
 Humiclíma Abidjan  
 Operadora Caitan Spa  
 Transferable Backlog Proyects, S.L.  
 ISUC Residencial, S.A. de C.V.  
 Hidrocaleras, S.L.  
 Taif Independent Construction Company  
 Taif Independent O & M  
 Humiclíma Guadalupe, SAS  
 Moncobra France SAS  
 Instalaciones y Servicios Moscardó, S.L.U.  
 Instalaciones y Servicios Moscardó I, S.L.U.  
 Instalaciones y Servicios Moscardó II, S.L.U.  
 Instalaciones y Servicios Moscardó III, S.L.U.  
 Instalaciones y Servicios Moscardó IV, S.L.U.  
 Instalaciones y Servicios Moscardó V, S.L.U.  
 Servicios Integrales Cobra, S.L.U.  
 Servicios Integrales Cobra I, S.L.U.  
 Servicios Integrales Cobra II, S.L.U.  
 Servicios Integrales Cobra III, S.L.U.  
 Servicios Integrales Cobra IV, S.L.U.  
 Servicios Integrales Cobra V, S.L.U.  
 Salto Fotovoltaico Holding, S.L.  
 Arenas Solar, S.A.  
 Salto Solar, S.A.

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### CHANGES IN THE CONSOLIDATION PERIMETER

Ladogustix  
 Parque Solar Fotovoltaico Lora I, S.L.  
 Parque Solar Fotovoltaico Lora IV, S.L.  
 Bruma Energy Fotovoltaico, S.L.  
 Bruma Energy  
 Parque Solar Fotovoltaico Gallego I, S.L.  
 Mochis PV  
 Parque Solar Fotovoltaico Gallego II, S.L.  
 Saltillo FV  
 Luya Solar Holding, S.L.  
 Parque Solar Fotovoltaico Herrera II, S.L.  
 Parque Solar Fotovoltaico Herrera I, S.L.  
 Parque Solar Fotovoltaico Murcia 1, S.L.  
 Parque Solar Fotovoltaico Ronda I, S.L.  
 Parque Solar Fotovoltaico Ronda II, S.L.  
 Belwood Spain, S.L.  
 Pandomix (Pty), Ltd.  
 Hummansrus I  
 Donley Invest, S.L.  
 Pandonox (Pty) Ltd  
 Hummansrus II  
 Culmore Invest, S.L.  
 Elmocode (Pty) Ltd  
 Fairview Investment, S.L.  
 Elmocol (Pty) Ltd  
 Elmovert (Pty) Ltd  
 Bow Power Invest, S.L.  
 Sirbow México Serv. Admon  
 Sirbow México S. de R.L. de CV  
 Tacuarembó Solar, S.A.  
 Sirbow Uruguay, S.A.  
 Bow Power Sudáfrica (Pty) Ltd.  
 Valdehiero Parque Solar, S.L.  
 Dunas Solar Holding, S.L.  
 Solatio Energia Gestao de Projetos de Belmonte I Ltda.  
 Solatio Energia Gestao de Projetos de Belmonte II Ltda.  
 Cobra Sweden AB  
 Humiclíma Grenada, Ltd.  
 Cobra Tecton Private Limited  
 Richards Bay Gas Power 2 Pty  
 Ingwepath Pty  
 Istofon Pty  
 Vive Energía Suministro SAPI de CV  
 Pirapora 1 GD Parque Solar, S.A.  
 Aracuai 1 GD Parque Solar, S.A.  
 Varjao de Minas 1 GD Parque Solar, S.A.  
 Bocaiuva 1 GD Parque Solar, S.A.  
 Mirabela 1 GD Parque Solar, S.A.  
 Belmonte Solar Holding, S.A.  
 Cristino Castro Holding, S.A.  
 Bow Power Perú, S.R.L.

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Madrid PV (Pty) Ltd.  
 Mundo Novo Solar Holding, S.A.  
 Eólica del Caribe Mexicano, S.A. de C.V.  
 Xadrez Renovaveis Holding, S.A.  
 Gordonía Solar PV (Pty)  
 Duneveld PV (Pty) Ltd.  
 Hari PV (Pty) Ltd.  
 Bushmanland PV (Pty) Ltd.  
 CS Gas North, S.L.  
 Taioberas 1 GD Parque Solar Ltda  
 Proyectos e Instalaciones Cobra I, S.L.U.  
 Proyectos e Instalaciones Cobra II, S.L.U.  
 Proyectos e Instalaciones Cobra III, S.L.U.  
 Proyectos e Instalaciones Cobra IV, S.L.U.  
 Proyectos e Instalaciones Cobra V, S.L.U.  
 Cobra South Africa Gas Pty  
 Cobra South Africa Holdings Pty  
 Sarl Maintenance Cobra Algeria  
 Instalcobra  
 Tedagua  
 Cobra Infraestructuras Hidráulicas S.A.  
 Injar S.A.  
 Moncobra Perú  
 OCP Perú  
 ACS Perú  
 Cobra Instalações e Serviços, Ltda.  
 Actividades de Instalaciones y Servicios Cobra SA  
 Cobra Rep. Dominicana  
 Actividades de Montajes y Servicios S.A. de C.V.  
 Instcobra (Ecuador)  
 Instalaciones y Servicios Codeni, S.A.  
 Instalaciones y Servicios Codepa, S.A.  
 Percomex  
 Coinsal Instalaciones y Servicios S.A. de C.V.  
 Codehon Instalaciones y Servicios S de RL  
 Hidrolazan  
 Avanzia Instalaciones S.A. de C.V.  
 Cobra Instalaciones y Serv. India PVT  
 Cobra Concesiones Brasil S.L.  
 Eolfi Greater China Co ,Ltd.  
 Renovables Spínola II, S.L.U  
 Renovables Spínola III, S.L.U  
 Cobra Gestión Infraestructuras Internacional, S.L.U.  
 Solar Oufico Requena, S.L.  
 Solar Merope Requena, S.L.  
 Fotovoltaica Casiopea Requena, S.L.  
 Fotovoltaica Alcor Requena, S.L.  
 Solar Acamar Requena, S.L.  
 Solar Acrab Requena, S.L.  
 Villonacoenergy, S.A.  
 Proyecto Zirconio, S.L.

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### CHANGES IN THE CONSOLIDATION PERIMETER

Proyecto Mendelerio, S.L.  
 Proyecto Estroncio, S.L.  
 Proyecto Tantalio, S.L.  
 Proyecto Holmio, S.L.  
 Proyecto Berilio, S.L.  
 Proyecto Selenio, S.L.  
 Proyecto Francio, S.L.  
 Proyecto Rubidio, S.L.  
 Proyecto Flerovio, S.L.  
 Cobra Gestión de Infraestructuras S.A.U.  
 Cobra Concesiones S.L.  
 Control y Montajes Industriales de Méjico S.A. de  
 Servicios Cymimex S.A. de C.V.  
 Tedra Australia Pty. L.T.D.  
 Energías Renovables de Ricobayo S.A.  
 P.E.Donado S.L.  
 Aldebarán S.M.E. S.A.  
 Desarrollos Energéticos Asturianos S.L.  
 Centro de Control Villadiego S.L.  
 Vieyra Energía Galega S.A.  
 Recursos Eólicos de Mexico S.A. de C.V.  
 Energía y Recursos Ambientales Internacional S.L.  
 Energías Renovables Andorranas S.L.  
 Parque Eólico La Val S.L.  
 Parque Cortado Alto S.L.  
 Energía y Recursos Ambientales de Perú S.A.  
 Montrasa Maessa Asturias S.L.  
 Cobra Msa Ltd.  
 Semi Israel  
 ACS Servicios Comunicac y Energía de México SA CV  
 CCR Platforming Cangrejera S.A. de C.V.  
 Electricidad Eleia, S.L.  
 Zero-E Proyectos Visigodos, S.L.U.  
 PV XII Teudiselo, S.L.U  
 PV XIII Agila, S.L.U  
 PV XIV Atanagildo, S.L.U  
 PV XV Liuva, S.L.U  
 PV XVI Leovigildo, S.L.U  
 PV XVII Recaredo, S.L.U  
 PV XVIII Witerico, S.L.U  
 PV XIX Gundemarro, S.L.U  
 PV XX Sisebuto, S.L.U  
 PV XXI Suínthila, S.L.U  
 PV XXII Sisenando, S.L.U  
 PV XXIII Chintila, S.L.U  
 PV XXIV Tulga, S.L.U  
 PV XXV Chindasvinto, S.L.U  
 PV XXVI Recesvinto, S.L.U  
 PV XXVII Wamba, S.L.U  
 PV XXVIII Ervigio, S.L.U  
 PV XXIX Égica, S.L.U

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### CHANGES IN THE CONSOLIDATION PERIMETER

PV XXX Witiza, S.L.U  
 PV XXXI Rodrigo, S.L.U.  
 PV II Sigerico, S.L.U.  
 PV III Walia, S.L.U.  
 PV IV Teodored, S.L.U.  
 PV V Teodorico, S.L.U.  
 PV VI Turismundo, S.L.U.  
 PV VII Eurico, S.L.U.  
 PV VIII Alarico, S.L.U.  
 PV IX Gesaleico, S.L.U.  
 PV X Amalarico, S.L.U.  
 PV XI Theudis, S.L.U.  
 Palmares Investment, S.L.  
 Alcañiz Solar  
 Caliza Solar  
 Navabuena  
 Pucela Solar  
 Valdealiño Solar  
 Area de Agra  
 Cantarranas Solar  
 Alabastro Solar  
 Entrepinos Solar  
 Overuela Solar  
 Pintia Solar  
 Andarrios  
 Taburete Solar, S.L.U  
 Sistema Fotovoltaico de Levante, S.A.U.  
 Ictio Solar Perseus, S.L.  
 Ictio Solar Orión, S.L.  
 Peaker Solar, S.L.U.  
 P.E. Monte das Aguas S.L.  
 Energia Olmedo - Ourense. Fase I S.A.  
 Titán 2020,S.A.  
 Zero-E Spanish PV 1  
 Esplendor Solar, S.L.  
 Hazaña Solar, S.L.  
 Logro Solar, S.L.  
 Palabra Solar, S.L.  
 Talento Solar, S.L.  
 Planta Solar Alcázar 2, S.L.  
 Emoción Solar S.L.U.  
 Envitero Solar S.L.U.  
 Escarnes Solar S.L.U  
 Escatron Solar Dos, S.L.U.  
 Ignis Solar Uno. S.L.U.  
 Mediomonte Solar, S.L.U.  
 Mocatero Solar, S.L.U.  
 Energías Ambientales de Soria S.L.  
 Ribagrande Energía S.L.  
 Robledo Eólica S.L.  
 Energía Sierrezuela S.L.



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Valdelagua Wind Power S.L.  
 Parque Eólico de Valdecarro S.L.  
 Planta Solar Alcázar 1, S.L.  
 Energía Faeton, S.L.  
 Energía de Suria, S.L.  
 Instalaciones y Servicios Spínola I, S.L.U  
 Instalaciones y Servicios Spínola II, S.L.U  
 Renovables Spínola I, S.L.U  
 Ictio Toledo Solar, S.L.U.  
 Ictio Solar, S.L.U.  
 Ictio Solar Auriga, S.L.U.  
 Ictio Manzanares Solar, S.L.U.  
 Ahin PV Solar, S.L.U.  
 Ictio Solar Andromeda, S.L.U.  
 Ictio Solar Berenice, S.L.U.  
 Chimarrao Transmissora de Energia, S.A.  
 Procme S. A.  
 Cme S. A.  
 Tecneira S. A.  
 Enipro S. A.  
 Cme Angola S. A.  
 Imocme S. A.  
 Afta S. A.  
 Agadirver  
 Tecneira Novas Enerias SGPS S.A.  
 Ciclo Combinado Lares ACE  
 CM- Construções LTDA  
 CME Cabo Verde S.A.  
 Biorio Lda.  
 Rioparque Lda.  
 Gestão de Negócios Internacionais SGPS S.A.  
 Small Medium Enterprises Consulting B.V.  
 CME Perú S.A.  
 Enervouga - Energias do Vouga Lda.  
 Hydrotua - Hidroelectricas do Tua Lda.  
 OKS Lda.  
 Procme Southern Africa do Sul  
 CME Southern Africa do Sul  
 Optic1  
 Restel, SAS  
 Procme Madeira S. A.  
 Sunbee I - Energias Renováveis, Unipessoal Lda.  
 Sunbee II - Energias Renováveis, Unipessoal Lda.  
 Sunbee III - Energias Renováveis, Unipessoal Lda.  
 Sunbee IV - Energias Renováveis, Unipessoal Lda.  
 Sunbee V - Energias Renováveis, Unipessoal Lda.  
 IRTE - Integrateur de Reseaux Tele SAS  
 Control y Montajes Industriales S.A.  
 Cymi Seguridad S.A.  
 Enelec S.A.  
 Control y Montajes Industriales Cymi Chile Ltda.

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### CHANGES IN THE CONSOLIDATION PERIMETER

Cymi Industrial INC.  
 Cymi DK LLC  
 Cymi Canada. INC.  
 Internacional de Pipelines, DAIP, S.L.  
 Masa Méjico S.A. de C.V.  
 SAS Controle et Montages Industriels  
 Mantenimiento y Montajes Industriales S.A. (Masa)  
 Dragados Industrial Algeria S.P.A.  
 Masa Algeciras S.A.  
 Masa Galicia S.A.  
 Masa Huelva S.A.  
 Sistemas Integrales de Mantenimiento S.A.  
 Masa Norte S.A.  
 Masa Puertollano S.A.  
 Masa Servicios S.A.  
 Masa Tenerife S.A.  
 Masa do Brasil Manutenção e Montagens Ltda.  
 Masa Maroc s.a.r.l.  
 Energia Olmedo - Ourense. Fase I S.A.  
 Cymi Brasil, S.L.  
 Cymi do Brasil Ltd.  
 Cymi O&M Ltda.  
 Cymi Tech Soluções e Sistemas Ltda  
 Triana do Brasil Projetos e Serviços Ltda.  
 Cymi Construções e Participações, S.A.  
 Mantiqueira Transmissora de Energia S.A.  
 Transmissora Sertaneja de Electricidade, S.A.  
 Chimarrao Transmissora de Energia, S.A.  
 Pampa Transmissão de Energia S.A.  
 Dunas Transmissão de Energia S.A.  
 Cymi Saneamento e Participações, S.A.  
 Cymi Transmissão de Energia S.A.  
 Dragados Industrial S.A.U.  
 Dragados Industrial Canada Inc.  
 Dragados Construc. Netherlands S.A.  
 Initec Energía S.A.  
 Initec Energía Ireland LTD.  
 Initec Energía Maroc, SARLAU  
 Intecsa Ingeniería Industrial S.A.  
 Incro S.A.  
 Avanzia Ingeniería S. A. de C. V.  
 Dragados Gulf Construction Ltd.  
 Makiber S.A.  
 Consorcio Makim  
 Makiber Gulf LLC  
 Odelga Medical Engineering GmbH  
 Makiber Belgium  
 EDAR Cádiz San Fernando (AIE)  
 Electronic Trafic, S.A.  
 Equipos de Señalización y Control S.A.  
 Etra Bonal S.A.

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Etra Investigación y Desarrollo S.A.  
 Etralux S.A.  
 Etranorte S.A.  
 Lumicán S.A.  
 Murciana de Tráfico S.A.  
 Etra Traf, S.A.  
 Hidrogestión S.A.  
 Monelec S.L.  
 Etra Interandina  
 Electromur S.A.  
 Emurtel S.A.  
 Consorcio de Telecomunicaciones Avanzadas S.A.  
 Imsidetra, S.A. de C.V.  
 Etracontrol S.L.  
 Electronic Traffic de Mexico S.A. de C.V.  
 Etrabras Mobilidade e Energia Ltda.  
 Idetra S.A. de C.V.  
 Etra France SAS  
 Etra Deutschland GmbH  
 Mundo Nuevo DV, S.A. de C.V.  
 Zonair3D, S.L.  
 Energía y Servicios Dinsa III, S.L.U.  
 Etra Colombia, S.A.S.  
 Etra Air, S.L.  
 Plataforma Integral Movilidad Madrid A.I.E.  
 Gestión Inteligente de Cargas S.L.  
 API Movilidad S.A.  
 API Fabricación S.A.  
 Trafiurbe S.A.  
 Viabal Manteniment i Conservacio S.A.  
 Empresa Mantenimiento y Explotación M-30 S.A.  
 Madrid Calle 30 S.A.  
 Parking libre sistema de reservas, S.L.  
 ImesAPI S.A.  
 Albatros Logistic S.A.  
 Cosersa S.A.  
 Dimática S.A.  
 Trabajos de Movilidad S.A.  
 Sermicro S.A.  
 Serveis Catalans Serveica S.A.  
 Desarrollo Informático S.A.  
 Grupo Imesapi S.L.  
 Albatros Logistic Maroc S.A.  
 Audeli  
 Ecocivil Electromur G.E. S.L.  
 ImesAPI Maroc  
 Instalacion y mantenimiento de dispositivos, S.A.  
 Midasco Llc.  
 Sermicro do Brasil Servicos e Informática Ltda.  
 Hiez Hornidurak, Instalazioak eta Zerbitzuak S.A.  
 Plataforma Integral Movilidad Madrid A.I.E.

## APPENDIX III

### CHANGES IN THE CONSOLIDATION PERIMETER

Imesapi S.A.C.  
 Sermicro Perú S.A.C.  
 Consorcio Santa María  
 Consorcio Saneamiento INCA  
 Consorcio Makim  
 Avanzia Soluciones y Movilidad, S.A. de C.V.  
 Carreteras de Coahuila y San Luis  
 Consorcio Ejecutor Lima  
 Operadora de Carreteras de Coahuila y San Luis  
 Copemobe, S.L.  
 Costeraneo, S.L.  
 Fanelate, S.L.  
 Libaquera, S.L.  
 Azius Luz S.L.  
 Belenus Luz S.L.  
 Celeritas Luz S.L.  
 Ignis Luz S.L.  
 Ilio Luz S.L.  
 Taxos Luz  
 Dirdam Luz S.L.  
 Imapex S.A de C.V.  
 Sermicro Colombia S.A.S  
 Sermicro France, S.A.S  
 Venelin Colombia SAS  
 Maetel Instalaciones y Servicios Industriales S.A.  
 Maetel Peru S.A.C.  
 Maetel Saudi Arabia Construction Company Limited  
 Maetel Japan KK  
 Maetel Construction Japan KK  
 Aratel Energías Renovables, S.L.  
 AMR 1 Energías Renovables, S.L.  
 AMR 2 Energías Renovables, S.L.  
 AMR 3 Energías Renovables, S.L.  
 AMR 4 Energías Renovables, S.L.  
 AMR 5 Energías Renovables, S.L.  
 AMR 6 Energías Renovables, S.L.  
 AMR 7 Energías Renovables, S.L.  
 AMR 8 Energías Renovables, S.L.  
 AMR 9 Energías Renovables, S.L.  
 AMR 10 Energías Renovables, S.L.  
 AMR 11 Energías Renovables, S.L.  
 AMR 12 Energías Renovables, S.L.  
 AMR 13 Energías Renovables, S.L.  
 Avanzia Energia, S.A. de C.V.  
 Dragados Offshore S.A. (Offshore)  
 Dragados Offshore de Méjico S.A. de C.V.  
 Dragados Offshore USA Inc.  
 Asistencia Offshore S.A.  
 Dragados Micoperi Offshore S A P I De C.V.  
 Soc. Española de Montajes Industriales S.A. (Semi)  
 Semi Maroc S.A.

## APPENDIX III

### CHANGES IN THE CONSOLIDATION PERIMETER

Mexsemi S.A. de C.V.  
 France Semi S.A.  
 Alfrani S.L.  
 Algarmo S.R.L.  
 SEMI Panamá S.A.  
 Semona S.R.L.  
 Semi Ingeniería S.r.L.  
 SEMIUR Montajes Industriales S.A.  
 Semi Chile Spa  
 Semi Peru Montajes Industriales S.A.C.  
 Semi Procoin Solar Spa  
 SEMI Saudi  
 Semi El Salvador Limitada de Capital Variable  
 Semi Israel  
 SEMI Engineering Germany GmbH  
 Energia Olmedo - Ourense. Fase I S.A.  
 Dyctel Infraestructuras de Telecomunicaciones S.A.  
 Dragados Telecomunicaciones Dyctel Brasil Ltda.  
 Sice Tecnología y Sistemas S.A.  
 Enclavamientos y Señalización Ferroviaria Enyse, S.A.U.  
 Moyano Telsa Sist Radiantes y de Telecomunicaciones, S.A.  
 Sociedad Ibérica de Construcciones Eléctricas S.A.  
 Sociedad Industrial de Construcciones Eléctricas S  
 Sice Sudáfrica Pty. Ltd.  
 Sumipar S.A.  
 Sistemas Sec S.A.  
 Sice PTY. Ltd.  
 Soc.Iberica de Construc Eléctricas de Seguridad SL  
 Societe Industrielle de Construcion Eletrique SARL  
 Sice Inc  
 Oficina Técnica de Estudios y Control de Obras S.A  
 Sociedad Industrial de Construc Eléctricas SL Ltda  
 Sice Energía S.L.  
 Mexicana de Servicios Auxiliares S.A. de C.V.  
 Sice NZ Limited  
 Moyano Maroc SRALU  
 Salam Sice Tech Solutions Llc.  
 Operadora OCACSA-SICE S.A. de C.V.  
 Sice Canada Inc.  
 Consorcio Sice Disico  
 Consorcio Ofiteco Geoandina  
 Ecisa Sice Spa  
 Consorcio Tunel del Mar  
 Consorcio Tráfico Urbano de Medellín  
 SICE Ardan projects  
 Ofiteco-Gabi Shoef  
 SPA Mobeal  
 Sice Vaan  
 Osipass, S.A. de C.V.  
 SICE Nordics AB  
 Hochtief Vicon Qatar W.L.L.

## APPENDIX III

### CHANGES IN THE CONSOLIDATION PERIMETER

1. WohnArt-Projektentwicklung GmbH & Co. KG

Devine Bacchus Marsh Pty Ltd

Boggo Road Project Pty. Ltd.

Boggo Road Project Trust

Shaped NZ Hold GP Limited

Shaped NZ Hold LP

Leighton - China State - Van Oord Joint Venture

Mulba Mia Leighton Broad Joint Venture

Turner Sabinal JV (SAISD 2010 Bond Program)

Turner- Gilbane

Turner Clayco Brampton JV

Turner - Eastern York Annex Joint Venture

Tishman-Turner Joint Venture II

INTEGRATED REPORT  
OF ACS GROUP  
**2021**



[www.grupoacs.com](http://www.grupoacs.com)







# MAIN FIGURES OF THE ACS GROUP

## OPERATING AND FINANCIAL DATA

| MILLION EURO                    | 2017     | 2018     | 2019     | 2020     | 2020<br>Rest. (1) | 2021      |
|---------------------------------|----------|----------|----------|----------|-------------------|-----------|
| Turnover                        | 34,898.2 | 36,658.5 | 39,048.9 | 34,937.4 | 27,853.4          | 27,836.7  |
| Gross Operating Profit (EBITDA) | 2,278.9  | 2,941.2  | 3,148.0  | 2,443.9  | 1,383.9           | 1,597.8   |
| Net operating profit (EBIT)     | 1,626.0  | 2,049.9  | 2,125.5  | 1,479.5  | 941.4             | 1,043.4   |
| Attributable net profit         | 802.0    | 915.6    | 962.0    | 574.0    | 542.3             | 3,045.4   |
| Backlog                         | 67,082   | 72,223   | 77,756   | 69,226   | 60,425            | 67,262    |
| Funds from operations (2)       | 1,863.5  | 2,321.8  | 2,378.7  | 1,173.5  | 556.3             | 555.7     |
| Investments                     | 914.9    | 4,797.7  | 1,796.0  | 2,173.0  | 1,562.1           | 519.4     |
| Divestments                     | 606.8    | 3,364.3  | 447.2    | 2,038.7  | 1,747.6           | 5,363.2   |
| Total Assets                    | 31,880.7 | 35,701.2 | 39,695.2 | 37,333.7 | 37,333.7          | 35,664.3  |
| Net Worth                       | 5,164.0  | 5,990.7  | 5,506.0  | 4,275.9  | 4,275.9           | 7,028.2   |
| Net debt/ (cash)                | 153.0    | (3.3)    | 53.7     | 1,819.8  | 1,819.8           | (2,008.6) |

## DATA PER SHARE

| EURO                      | 2017 | 2018 | 2019 | 2020 | 2020<br>Rest. (1) | 2021  |
|---------------------------|------|------|------|------|-------------------|-------|
| Earnings                  | 2.57 | 2.94 | 3.13 | 1.95 | 1.85              | 10.74 |
| Dividend paid in the year | 1.20 | 1.39 | 1.90 | 1.99 | 1.99              | 1.72  |
| Funds from operations     | 5.97 | 7.46 | 7.74 | 3.99 | 1.89              | 1.96  |

## CAPITAL MARKETS

|                              | 2017        | 2018        | 2019        | 2020        | 2020<br>Rest. (1) | 2021        |
|------------------------------|-------------|-------------|-------------|-------------|-------------------|-------------|
| Listed shares                | 314,664,594 | 314,664,594 | 314,664,594 | 310,664,594 | 310,664,594       | 304,664,594 |
| Market capitalization (€ mn) | 10,264.36   | 10,645.10   | 11,217.79   | 8,434.54    | 8,434.54          | 7,180.94    |
| Year-end closing price       | 32.62€      | 33.83€      | 35.65€      | 27.15€      | 27.15€            | 23.57€      |
| Annual revaluation           | 8.66%       | 3.71%       | 5.38%       | -23.84%     | -23.84%           | -13.19%     |

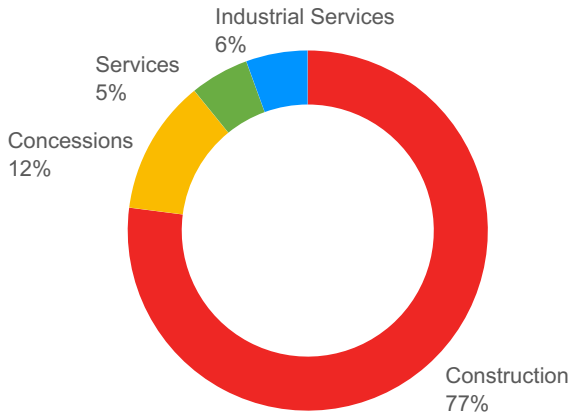
## SUSTAINABILITY INDICATORS

|                                  | 2017      | 2018      | 2019      | 2020      | 2020<br>Rest. (1) | 2021    |
|----------------------------------|-----------|-----------|-----------|-----------|-------------------|---------|
| Number of employees              | 182,269   | 195,461   | 190,431   | 179,539   | 122,779           | 122,502 |
| Employees with H&S certification | 85.4%     | 90.1%     | 91.3%     | 92.0%     | 90.8%             | 91.8%   |
| Training investment (€ mn)       | 28.5      | 33.3      | 34.6      | 25.1      | 10.7              | 14.4    |
| Social Action investment (€ mn)  | 11.6      | 12.2      | 13.1      | 18.9      | 16.0              | 11.7    |
| Vulnerable groups (Employees)    | 8,143     | 9,422     | 10,013    | 10,047    | 9,819             | 10,320  |
| Recycled/reused waste            | n.d.      | n.d.      | 76.7%     | 83.9%     | 84.5%             | 82.6%   |
| Scope 1 emissions (tCO2 equiv)   | 2,436,364 | 3,073,384 | 3,001,287 | 2,683,671 | 352,891           | 323,889 |
| Scope 2 emissions (tCO2 equiv)   | 371,274   | 265,501   | 277,291   | 183,375   | 92,466            | 103,637 |

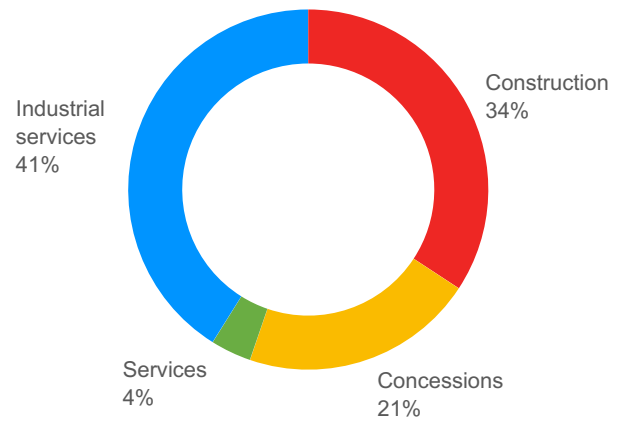
(1) Data restated for the reclassification of Industrial Services as a discontinued operation following the agreement and subsequent sale of the business in December 2021, showing Thiess as an "Operating equity method" following the sale of 50% of the business as of December 2020 and excluding extraordinary impacts in the period.

(2) Net profit + adjustments to net income not involving cash inflows/outflows + Variation in cash working capital

## EBITDA\*



## ORDINARY NET PROFIT\*



| CONSTRUCTION 2021               |        |
|---------------------------------|--------|
| EURO MILLION                    |        |
| Turnover                        | 25,879 |
| Gross Operating Profit (EBITDA) | 1,275  |
| Margin                          | 4.9%   |
| Net Operating Profit (EBIT)     | 822    |
| Margin                          | 3.2%   |
| Net Profit                      | 273    |
| Margin                          | 1.1%   |
| Backlog                         | 64,379 |
| Employees                       | 44,351 |

Construction includes Dragados and HOCHTIEF (ex Abertis) activity

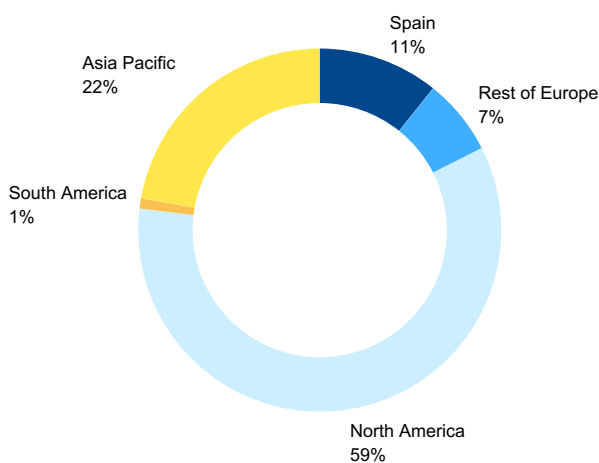
| CONCESSIONS 2021                |      |
|---------------------------------|------|
| EURO MILLION                    |      |
| Turnover                        | 93   |
| Gross Operating Profit (EBITDA) | 201  |
| Margin                          | n.a. |
| Net Operating Profit (EBIT)     | 186  |
| Margin                          | n.a. |
| Net Profit                      | 167  |
| Margin                          | n.a. |
| Backlog                         | n.a. |
| Employees                       | 409  |

The Concessions area includes the activity of Iridium and the contribution of Abertis by the equity method

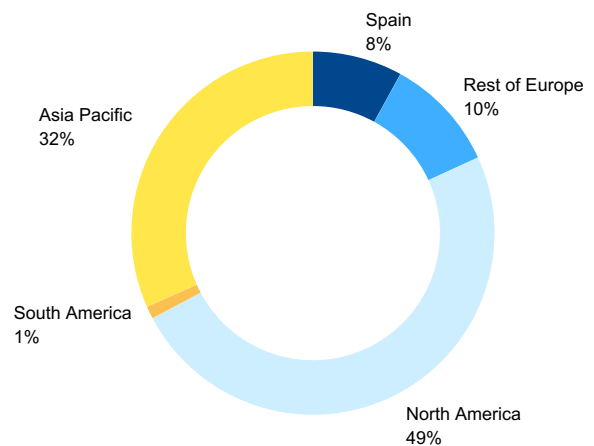
| SERVICES 2021                   |        |
|---------------------------------|--------|
| EURO MILLION                    |        |
| Turnover                        | 1,643  |
| Gross Operating Profit (EBITDA) | 88     |
| Margin                          | 5.3%   |
| Net Operating Profit (EBIT)     | 45     |
| Margin                          | 2.7%   |
| Net Profit                      | 29     |
| Margin                          | 1.8%   |
| Backlog                         | 2,883  |
| Employees                       | 77,492 |

| INDUSTRIAL SERVICES             |       |
|---------------------------------|-------|
| EURO MILLION                    |       |
| Turnover                        | 230   |
| Gross Operating Profit (EBITDA) | 92    |
| Margin                          | 39.9% |
| Net Operating Profit (EBIT)     | 91    |
| Margin                          | 39.5% |
| Net Profit                      | 328   |
| Margin                          | n.a.  |
| Backlog                         | n.a.  |
| Employees                       | 181   |

## TURNOVER



## BACKLOG

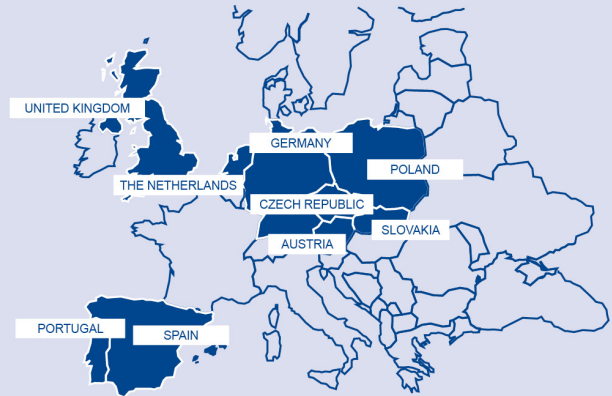


\* The percentages are calculated based on the sum of the activities considered in the graph. Net profit excludes the one-off impacts of the year and includes the contribution of Industrial Services as a discontinued operation until its sale on 30 December 2021.

## AMERICA



## EUROPE



## ASIA PACIFIC



### UNITED STATES

|                  |        |
|------------------|--------|
| <b>Turnover</b>  | 14,824 |
| % total          | 53.3%  |
| <b>Backlog</b>   | 30,049 |
| % total          | 44.7%  |
| <b>Employees</b> | 13,738 |
| % total          | 11.2%  |

### AUSTRALIA

|                  |        |
|------------------|--------|
| <b>Turnover</b>  | 5,190  |
| % total          | 18.6%  |
| <b>Backlog</b>   | 19,419 |
| % total          | 28.9%  |
| <b>Employees</b> | 11,743 |
| % total          | 9.6%   |

### SPAIN

|                  |        |
|------------------|--------|
| <b>Turnover</b>  | 2,988  |
| % total          | 10.7%  |
| <b>Backlog</b>   | 5,388  |
| % total          | 8.0%   |
| <b>Employees</b> | 75,967 |
| % total          | 62.0%  |

### CANADA

|                  |       |
|------------------|-------|
| <b>Turnover</b>  | 1,602 |
| % total          | 5.8%  |
| <b>Backlog</b>   | 2,936 |
| % total          | 4.4%  |
| <b>Employees</b> | 1,446 |
| % total          | 1.2%  |

### GERMANY

|                  |       |
|------------------|-------|
| <b>Turnover</b>  | 926   |
| % total          | 3.3%  |
| <b>Backlog</b>   | 2,926 |
| % total          | 4.3%  |
| <b>Employees</b> | 3,289 |
| % total          | 2.7%  |

### ROW

|                  |        |
|------------------|--------|
| <b>Turnover</b>  | 2,308  |
| % total          | 8.3%   |
| <b>Backlog</b>   | 6,544  |
| % total          | 9.7%   |
| <b>Employees</b> | 16,319 |
| % total          | 13.3%  |

# CONSOLIDATED DIRECTORS' REPORT

Point 5 of this Consolidated Directors' Report includes the Non-Financial Information Statement, in accordance with Law 11/2018, of 28 December. A summary table identifying the non-financial and diversity information required by this law can be found in point 5.12.





## LINKS



[ACS GROUP WEBSITE](#)



[CONSOLIDATED ANNUAL ACCOUNTS](#)



[ANNUAL CORPORATE GOVERNANCE REPORT](#)



[ANNUAL REPORT ON DIRECTORS' REMUNERATION](#)

# ABOUT THIS REPORT

The Integrated Annual Report is composed of this Consolidated Directors' Report, which includes the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration that are attached by reference and are available on the websites of the ACS Group and the Spanish National Securities Market Commission (CNMV), and the Consolidated Annual Accounts for the year ended 31 December 2021, prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This Consolidated Directors' Report has been prepared based on the principle of integration and includes the most relevant financial and non-financial information to show the Group's value generation. The aim is to offer a perspective that provides a concise overview of the Company's capacity to create value in the short, medium and long term, as well as its positioning in view of the risks and opportunities presented by the environment.

To maintain the highest accuracy and transparency, this document has been prepared in accordance with the requirements of international reporting standards:

- The guidelines contained in the framework of the International Integrated Reporting Council (IIRC)<sup>1</sup>.
- Non-financial information has been reported in accordance with Global Reporting Initiative (GRI) Standards, including additional applicable information required for the Construction and Real Estate Sector Supplement. This report has been prepared in accordance with the comprehensive option of GRI Standards. The contents related to the response to the contents of the Non-Financial Reporting and Diversity Act have been verified by an independent third party under ISAE 3000 standard with a limited level of assurance.

The requirements of the guidelines for preparing the directors' report of listed companies of the CNMV were also taken into account, as well as Law 11/2018 on the disclosure of non-financial information and diversity information.

The contents of the report have been selected based on a previous analysis that identified the most relevant issues for the Company and its main stakeholders<sup>2</sup>.

[102-45]

The report covers all the ACS Group's activities in all the countries where it has a presence. In this regard, the published information includes the operations carried out by companies controlled by the ACS Group in the Construction, Concessions and Services areas, which are detailed in the Group's Consolidated Annual Accounts.

Following the principle of information connectivity, the contents of this report are supplemented by information from other documents published annually by the ACS Group (Corporate Governance Report, Annual Report on Director's Remuneration and Annual Accounts), as well as all the information and policies published on the Company's website.

1. For more information, visit the International Integrated Reporting Council's website at <http://integratedreporting.org/>
2. For more information on the identification of relevant issues, see Appendix 7.2. Identification of material aspects







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# LETTER FROM THE CHAIRMAN



Dear shareholders,

In a difficult economic environment, affected by the Covid-19 pandemic and global geopolitical tensions, 2021 has been a crucial year for the ACS Group from a strategic, operational and financial point of view, and ended successfully as shown by the results obtained. In particular, our net profit reached EUR 3,045 million, the highest in our history, as a result of the positive performance of the businesses and the corporate actions undertaken.

This profit includes the capital gain from the sale of the Industrial business to the French group Vinci, which is undoubtedly the most important strategic milestone in recent years due to its size, with a total transaction value of EUR 5,580 million, and its implications for the future of our Group.

The agreement also includes the creation of a joint venture for the development of a portfolio of renewable energy assets that ACS and Vinci will handle in the coming years. This implies a significant investment opportunity, with a 49% interest in this company. We will allocate a portion of the funds obtained from the divestment to this project.

Not including this capital gain or other one-off impacts included in the year, ordinary net profit reached EUR 720 million, up 33% on the previous year thanks to the substantial recovery in traffic at Abertis of more than 21%. By line of business:

- Construction generated an ordinary net profit of EUR 273 million, up 3.8% on the previous year;
- Concessions generated EUR 167 million in net profit, of which EUR 117 million correspond to Abertis, which in 2020 had contributed a loss of EUR 35 million;
- Industrial Services reached an ordinary net profit of EUR 328 million, up 5.1%; and
- Social Services —an activity of which I am especially proud because of the social and welfare work it has always carried out, regardless of the situations or adversities that arise—, obtained a net profit of EUR 29 million, posting growth of 65.4% after the impacts of the pandemic in 2020.

The performance of the Group's production and backlog, which increased by 2.5% and 11.3%, respectively, on a like-for-like basis, confirms the recovery of activity following the pandemic, and strengthens ACS' international diversification in the most developed economies. The Group's most important markets are: the United States, which accounts for 53% of the Group's total sales, Australia with 19%, Spain with 11%, the rest of Europe with 7% and Canada with 6%; the rest of the world only accounts for 4% of our sales.

In terms of operating profit, not including the activities sold in the last twelve months, gross operating profit (EBITDA) stood at EUR 1,598 million and net operating profit (EBIT) at EUR 1,084 million, both growing by more than 15% compared to the previous year.

In 2021, the ACS Group's activities generated gross profit from operations of EUR 1,073 million, with approximately 70% generated by the Construction and Services business and 30% by the Concessions business. Net cash flows from operations, net of operating investments and changes in working capital, amounted to EUR 558 million, up 50% on 2020, confirming the trend towards recovery in Construction activity, especially in Australia where the pandemic had the greatest impact.

At the end of 2021, we had a net cash position of EUR 2,009 million. This significant improvement in the financial position is mainly due to the funds obtained from the sale of Industrial Services, closed in December 2021, which has also allowed us to strengthen our balance sheet by bringing the Group's net assets to over EUR 7,000 million.

This solid financial position gives us assurance to face the challenges of investment and growth in the infrastructure sector, to which we are going to allocate a significant part of our resources, mainly in:

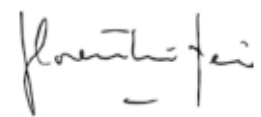
1. Investing in the development and operation of infrastructure concession assets, which will enable us to increase the weight of assets with more recurring cash flow, balancing the sources of fund generation between Construction and Concessions, without giving up any of them. This will give us greater visibility with regard to the Group's future results and dividends.
2. Promoting the simplification of the Group's corporate structure, seeking a more efficient and dynamic organisation, without losing the competitiveness and operational decentralisation that sets us apart. The recent takeover bid for 21.4% of CIMIC, worth EUR 950 million, is the first step in this direction.

In short, we will continue to invest in infrastructure, both in construction and concessions. We are convinced that our ability to create value has to be aimed at these sectors, where our extensive experience and capabilities can be most efficient, in line with our strategy of sustainable and profitable growth.

We are confident that once these investment decisions take shape, the capital markets will pick up on the fundamental value of our company and the ACS share prices will return to the levels seen prior to the health and geopolitical crises that have caused the high volatility and significant share price devaluations over the last two years. In fact, in 2021 the ACS share depreciated by 6.8%, including the dividend of EUR 1.72/share paid during the year.

Finally, I would like to highlight the important steps towards sustainability that we have taken in recent years. Environmental aspects, occupational safety, social integration and corporate ethics have played a fundamental role in ACS' culture, as we are aware of the responsibility we have towards the various stakeholders that form part of our community. This is the direction of the recently approved new 2025 Sustainability Master Plan, which pursues a clear objective: to promote the global sustainability of infrastructure as a leading company in the sector. The specific details and objectives can be found in this Annual Report or on our website.

In doing so, we want to give the sustainable development of our Group the importance it deserves, continue to align our interests with those of society and promote measures that allow us to be more efficient, be environmentally committed, strengthen our social function with greater safety, more diversity and better human resources, and continue to promote an ethically responsible business culture, without ignoring the objectives of profitability and value creation that you all demand. This is what we are going to dedicate ourselves to, with our greatest efforts and enthusiasm for this great project that is ACS.



**Florentino Pérez**  
Chairman of the ACS Group

# 1. GOVERNING BODIES

1.1. BOARD OF DIRECTORS

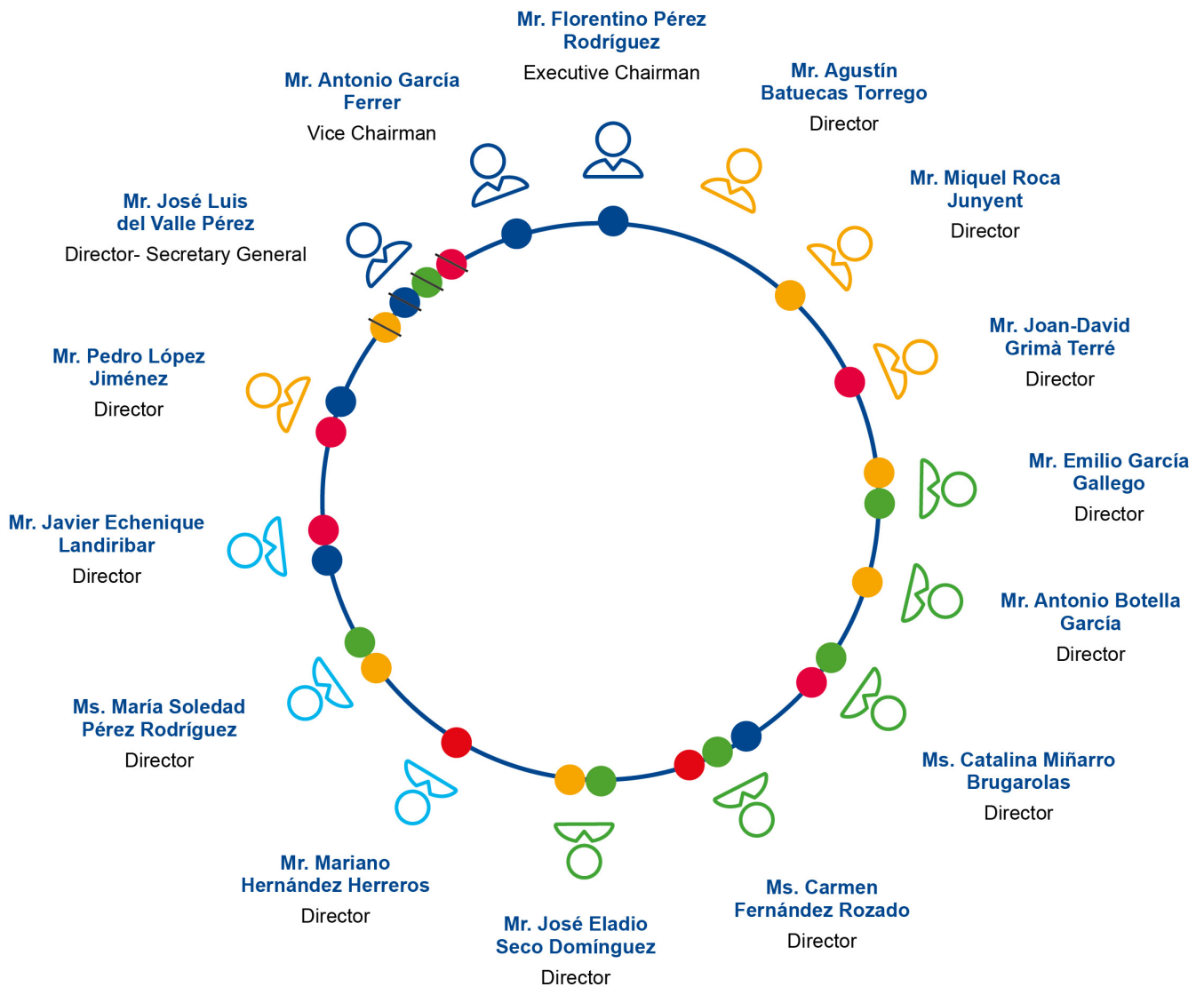
1.2. MANAGEMENT COMMITTEE










1.3. MANAGEMENT TEAM





## 1.1. BOARD OF DIRECTORS



- |  |  |
|--|--|
|  EXECUTIVE      |  MEMBER OF THE EXECUTIVE COMMITTEE    |
|  PROPRIETARY    |  MEMBER OF THE AUDIT COMMITTEE        |
|  INDEPENDENT    |  MEMBER OF THE APPOINTMENTS COMMITTEE |
|  OTHER EXTERNAL |  MEMBER OF THE REMUNERATION COMMITTEE |
|  |  SECRETARY (NON-MEMBER)               |

**Mr. Florentino Pérez Rodríguez****Executive Chairman**

Civil Engineer  
Chairman of the ACS Group since 1993  
Member of the ACS Group's Board of Directors since 1989

**Mr. Antonio García Ferrer****Vice Chairman**

Civil Engineer  
Member of the ACS Group's Board of Directors since 2003

**Mr. Agustín Batuecas Torrego****Director**

Civil Engineer  
Member of the ACS Group's Board of Directors since 1999

**Mr. Antonio Botella García****Director**

B.A. in Law Lawyer  
State Lawyer (retired)  
Member of the ACS Group's Board of Directors since 2015

**Mr. Javier Echenique Landiribar****Director**

B.A. in Economics  
Member of the ACS Group's Board of Directors since 2003  
Vice Chairman of Telefónica, S.A.  
Member of Telefónica Audiovisual Digital, S.L.U.'s Board of Directors.

**Ms. Carmen Fernández Rozado****Director**

B.A. in Economics and Business Administration, and in Political Sciences and Sociology  
PhD in Public Finance  
State Treasury Inspector  
Auditor.  
Member of the ACS Group's Board of Directors since 2017  
Director of EDO  
Director of Primafrio

**Mr. Emilio García Gallego****Director**

Civil Engineer and B.A. in Law  
Member of the ACS Group's Board of Directors since 2014

**Mr. Joan-David Grimà Terré****Director**

PhD in Economics and Business Administration  
Member of the ACS Group's Board of Directors since 2003  
President of Diakonia Spain  
Director of Enzyme Advising Group  
Trustee of Fundación Pluralismo y Convivencia, Ministry of the Presidency

**Mr. Mariano Hernández Herreros****Director**

B.Sc. in Medicine and Surgery  
Member of the ACS Group's Board of Directors since 2016

**Mr. Pedro López Jiménez****Director**

Civil Engineer  
Member of the ACS Group's Board of Directors since 1989  
Chair of the Supervisory Board, Human Resources Committee and the Appointments Committee at HOCHTIEF  
Member of the Board of Directors, Remuneration and Appointments Committee, and Ethics, Compliance and Sustainability Committee at CIMIC  
Director and Chairman of the Audit and Control Committee at Abertis

**Ms. Catalina Miñarro Brugarolas****Director**

B.A. in Law and State Lawyer  
Member of the ACS Group's Board of Directors since 2015  
Director (2<sup>nd</sup> Vice Chair and Lead Director) at MAPFRE, S.A.  
Member of the Delegate Committee and Chair of the Appointments and Remuneration Committee at MAPFRE, S.A.  
Director and Member of the Management Committee at MAPFRE ESPAÑA, S.A.  
Director of MAPFRE INTERNACIONAL, S.A.

**Ms. María Soledad Pérez Rodríguez****Director**

B.Sc. in Chemistry and Pharmacy  
Member of the ACS Group's Board of Directors since 2014

**Mr. Miquel Roca Junyent****Director**

Lawyer  
Member of the ACS Group's Board of Directors since 2003  
Director of Endesa (2009-2021)  
Director of Aguas de Barcelona  
Secretary (non-director) of the Board of Directors at Abertis Infraestructuras  
Secretary (non-director) of the Board of Directors at Banco de Sabadell  
Secretary (non-director) at TYPESA  
Secretary (non-director) at WERFENLIFE

**Mr. José Eladio Seco Domínguez****Director**

Civil Engineer  
Member of the ACS Group's Board of Directors since 2016

**Mr. José Luis del Valle Pérez****Director - Secretary General**

B.A. in Law and State Lawyer  
Member of the ACS Group's Board of Directors since 1989  
Member of the Supervisory Board at HOCHTIEF  
Member of the Board of Directors of CIMIC



For more information: Online access to their biography: [www.grupoacs.com](http://www.grupoacs.com)

## 1.2. MANAGEMENT COMMITTEE



### **Mr. Florentino Pérez Rodríguez**

Chairman and CEO

Born in 1947.

Civil Engineer.

He began his professional career in the private sector. From 1976 to 1983, he held several positions in the Spanish Government, where he was the Delegate for Sanitation and the Environment on the Madrid City Council, Managing Sub-Director for the Promotion of the Centre for the Development of Industrial Technology (CDTI) of the Ministry of Industry and Energy, Managing Director of Transport Infrastructure of the Ministry of Transport, and Chairman of the National Institute for Agricultural Reform and Development (IRYDA) of the Ministry of Agriculture. In 1983, he returned to the private sector and since 1984 has been the top executive of Construcciones Padrós, S.A., as its Vice Chairman and CEO, and is also one of its main shareholders. Since 1987, he has been Chairman and CEO of Construcciones Padrós, S.A. Since 1993, he has been the Chairman and CEO of OCP Construcciones S.A., the result of the merger of Construcciones Padrós, S.A. and OCISA. Since 1997, he has been Executive Chairman of the ACS Group, the result of the merger of OCP Construcciones S.A., Ginés Navarro, S.A. and Auxini, S.A.



### **Mr. Antonio García Ferrer**

Vice Chairman

Born in 1945.

Civil Engineer.

He began his professional career at Dragados y Construcciones, S.A. in 1970. After holding several positions of responsibility in the construction company, he was appointed Regional Director for Madrid in 1989, Building Works Manager in 1998, and Managing Director of the Industrial and Services divisions in 2001. In 2002, he became Chairman of Grupo Dragados, S.A. and since December 2003, he has been Vice Chairman of the ACS Group.





**Mr. Ángel García Altozano**  
Corporate Managing Director

Born in 1949.  
Civil Engineer and MBA

He began his professional career in the construction sector. He has been Managing Director of the National Institute of Industry (INI) and Chairman of Bankers Trust for Spain and Portugal. He joined the ACS Group in 1997 as Corporate Managing Director, responsible for the economic and financial areas (CFO), corporate development and investee companies.



**Mr. José Luis del Valle Pérez**  
General Secretary

Born in 1950.  
B.A. in Law and State Lawyer

From 1975 to 1983, he held several positions in the Spanish Government and was a member of the Spanish Parliament from 1979 to 1982 and Deputy Secretary of the Ministry of Territorial Administration. He has been a member of the ACS Group's Board of Directors since 1989 and has also been its General Secretary since 1997.



**Mr. Eugenio Llorente Gómez**  
Chairman of ACS Servicios, Comunicaciones y Energía

Born in 1947.  
Technical Industrial Engineer,  
MBA from Madrid Business School.

He began his professional career at Cobra Instalaciones y Servicios, S.A. in 1973. After holding several positions of responsibility, in 1989 he was appointed Director of Zona Centro, in 1998 he was promoted to Managing Director and in 2004 to CEO. He is currently Chairman of ACS Servicios, Comunicaciones y Energía

## 1.3. MANAGEMENT TEAM

### ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS

**Mr. Florentino Pérez Rodríguez**  
Chairman and CEO

**Mr. Antonio García Ferrer**  
Vice Chairman

**Mr. Ángel García Altozano**  
Corporate Managing Director

**Mr. José Luis del Valle Pérez**  
General Secretary

**Mr. Ángel Muriel Bernal**  
Deputy General Manager to the CEO

### CONSTRUCTION

#### HOCHTIEF

**Mr. Pedro López Jiménez**  
Chairman of the Supervisory Board

**Mr. Marcelino Fernández Verdes**  
Chairman of the Vorstand<sup>(1)</sup> of HOCHTIEF AG.  
Chief Executive Officer (CEO)

**Mr. Peter Sassenfeld**  
Member of the Vorstand<sup>(1)</sup> of HOCHTIEF AG.  
Chief Financial Officer (CFO)

**Mr. José Ignacio Legorburo Escobar**  
Member of the Vorstand<sup>(1)</sup> of HOCHTIEF AG.  
Chief Operating Officer

**Mr. Nikolaus Graf von Matuschka**  
Member of the Vorstand<sup>(1)</sup> of HOCHTIEF AG.  
Chief Executive Officer (CEO) of HOCHTIEF Solutions.

**Ms. Martina Steffen**  
Member of the Vorstand<sup>(1)</sup> of HOCHTIEF AG.  
General Manager of Human Resources and Sustainability

**Mr. Peter Coenen**  
Managing Director of HOCHTIEF PPP Solutions

**Mr. Peter Davoren**  
Chairman and Chief Executive Officer (CEO) of Turner Construction

**Mr. Juan Santamaría Cases**  
Executive Chairman and Chief Executive Officer (CEO) CIMIC Group

**Mr. Ignacio Segura Suriñach**  
Deputy CEO of CIMIC Group

**Mr. Emilio Grande**  
Chief Financial Officer (CFO) of CIMIC Group

**Mr. Jason Spears**  
Managing Director of CPB Contractors

**Mr. Grant Fraser**  
Managing Director of Sedgman

**Mr. Geoff Sewell**  
Managing Director of EIC Activities

**Mr. Doug Moss**  
Managing Director of UGL

**Mr. Adolfo Valderas**  
Chairman and Chief Executive Officer (CEO) of Flatiron

**Mr. Javier Sevilla**  
Chief Operating Officer (COO) of Flatiron

#### DRAGADOS

**Mr. Pedro López Jiménez**  
Chairman

**Mr. Santiago García Salvador**  
Chief Executive Officer

**Mr. Luis Nogueira Miguelsanz**  
General Secretary

**Mr. Ricardo Martín de Bustamante**  
Civil Engineering Manager

**Mr. Gonzalo Gómez Zamalloa**  
Building Works Manager

**Mr. José Antonio López-Monís**  
Manager of North America

**Mr. Ramón Astor Catalán**  
Manager of Iberoamerica

**Mr. Ricardo García de Jalón**  
Manager of Spain

**Mr. Federico Conde del Pozo**  
Manager of Europe

**Mr. José María Aguirre Fernández**  
Manager of Vías

\* At 31 December 2021  
(1) Management Committee

## CONCESSIONS

### IRIDIUM

**Ms. Nuria Haltiwanger**  
Chief Executive Officer (CEO)

## SERVICES

### CLECE

**Mr. Cristóbal Valderas**  
Chief Executive Officer (CEO)

## OTHER

### ACS SERVICIOS, COMUNICACIONES Y ENERGÍA

**Mr. Eugenio Llorente Gómez**  
Chairman

**Mr. José Luis Martínez Dalmau**  
Managing Director

### COGESA

**Mr. Enrique Pérez Rodríguez**  
Sole Director



## 2. THE ACS GROUP

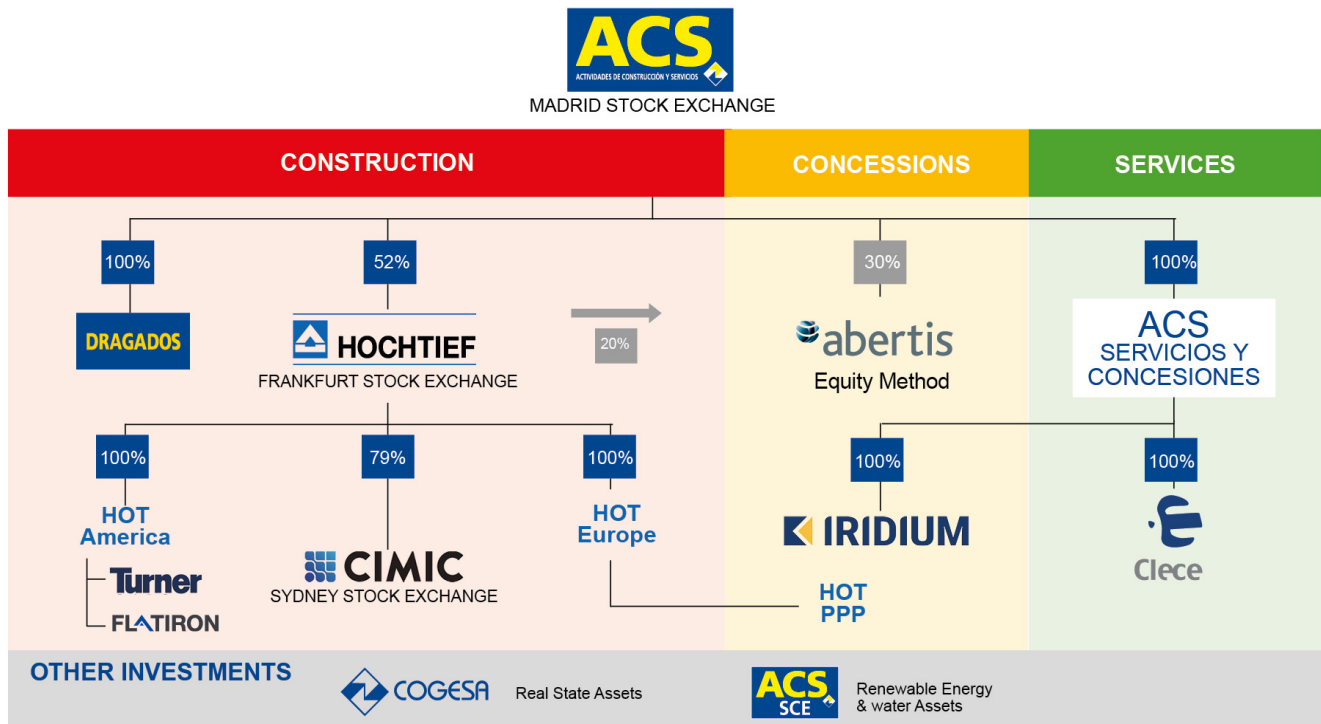
- 2.1. A GLOBAL LEADER IN INFRASTRUCTURE AND SERVICES
- 2.2. CORPORATE STRATEGY THAT CREATES SHARED VALUE
- 2.3. EFFICIENT RISK MANAGEMENT





## 2.1. A GLOBAL LEADER IN INFRASTRUCTURE AND SERVICES

The ACS<sup>1</sup> Group is a global benchmark in construction activities and services, made up of leading companies in an increasingly competitive, demanding and global sector.



### ACS GROUP DATA 2021

| SALES         | BACKLOG       | EBITDA       | NET PROFIT   |
|---------------|---------------|--------------|--------------|
| <b>27,837</b> | <b>67,262</b> | <b>1,598</b> | <b>3,045</b> |
| EURO MILLION  | EURO MILLION  | EURO MILLION | EURO MILLION |

### EMPLOYEES

**122,502**

|   |  |                                 |                                    |
|---|--|---------------------------------|------------------------------------|
| <b>91.8%</b>  | <b>97.4%</b>                                   | <b>83.4%</b>                    | <b>963,760</b>                     |
| % EMPLOYEES COVERED BY SAFETY CERTIFICATIONS (OHSAS 18001 OR ISO 45001) | LOCAL EMPLOYEES                                | LOCAL SUPPLIERS                 | TOTAL TEACHING HOURS               |
| <b>82.6%</b>  | <b>427,527</b>                                 | <b>69,506</b>                   | <b>11.7</b>                        |
| % WASTE FOR REUSE/ RECYCLING  | SCOPE 1+ SCOPE 2 EMISSIONS (TCO <sub>2</sub> ) | MW OF RENEWABLE ENERGY CONSUMED | INVESTMENT IN SOCIAL ACTION (€ MN) |

<sup>1</sup> Its parent company is ACS, Actividades de Construcción y Servicios, S.A., with registered office in Madrid, Spain

The highly decentralised structure of the ACS Group enables it to carry on its activity through an extensive network of specialised companies that ensure the Group's presence across the entire infrastructure and services business value chain. Through this complex but efficient organisation, the companies are managed and operated independently but follow shared guidelines, values and culture. This allows each company to individually provide a multitude of valid and cost-effective management formulas thanks to the multiple factors involved in their decisions, which generate Group-wide knowledge and good practices.

The main areas of activity within the Group are divided into:

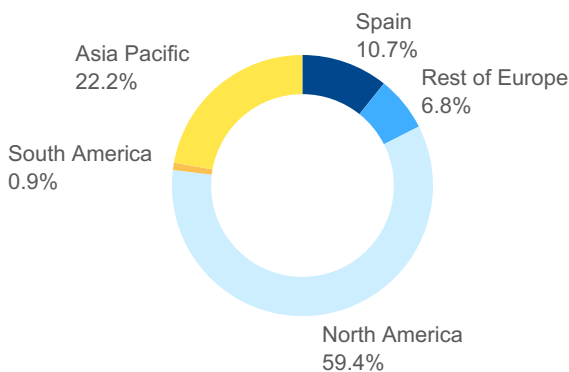
**Construction:** This includes the activities of Dragados and HOCHTIEF, and is aimed at carrying out all types of civil construction projects (activities related to developing infrastructure, such as highways, railways, maritime projects and airports), building projects (residential buildings, social infrastructure and facilities) and infrastructures services (railway, transport, communications and technology, energy, resources, water and defence sectors).

The geographical regions with the greatest exposure are North America, Asia Pacific and Europe, operating mainly in developed markets that are safe from a geopolitical, macroeconomic and legal perspective.

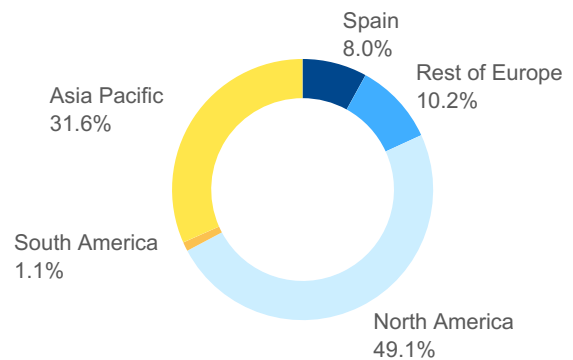
**Concessions:** This includes the activities of Iridium and the shareholdings in Abertis and is focused on the development and operation of transport concessions. These projects are carried out either through direct construction models for public and private customers, or through a public-private partnership model where the ACS Group is involved in the entire value chain of the concession business, from the design of the project to its financing, construction, start-up, and operation.

**Services:** This includes Clece's business activity, which offers comprehensive maintenance services for buildings, public places and organisations, as well as assistance to people. This area is fundamentally based in Spain but also shows incipient growth in the European market.

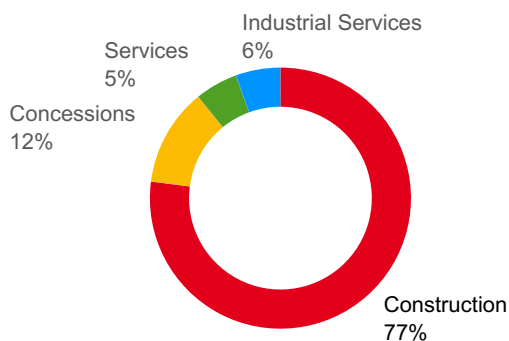
### TURNOVER



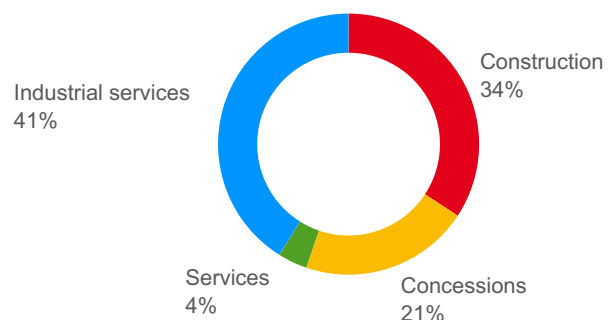
### BACKLOG



### EBITDA\*



### ORDINARY NET PROFIT\*



\* The percentages are calculated based on the sum of the activities considered in the graph. Net profit excludes the one-off impacts of the year and includes the contribution of Industrial Services as a discontinued operation until its sale on 30 December 2021.

As a global company, the ACS Group participates in the development of key sectors for the world economy and it is also committed to the economic and social progress of the countries in which it is present.

All the Group's activities are distinctly focused on the customer, in the spirit of service and acting as a guarantee for the future, developing a solid, long-term relationship of trust based on mutual understanding.

The Group's flexible and decentralised organisation promotes employee responsibility and initiative, which is a basic tool for generating the maximum profitability and for ensuring the excellence needed to offer the best services and products to customers.

The Group upholds an undeniable commitment to sustainable development, serving society in an efficient and ethically responsible way through its ability to generate value for the company and all of its stakeholders, demanding the highest standards of integrity from its employees and collaborators.

These values, which have been part of the Group's culture since its inception, have generated the main competitive advantages that are the basis of past and future growth.





Thanks to its structure and values, the ACS Group is able to face the challenges of the sector, and take advantage of the opportunities in a changing environment, which poses global and interrelated challenges. The main challenges facing the Group are as follows:

**Increased demand:** The need for new infrastructure and the replacement of obsolete infrastructure is strengthening the role that a company such as the ACS Group in driving development and value creation. This role has been strengthened by the various infrastructure development support plans adopted worldwide. The US government has initiated an infrastructure plan that includes traditional infrastructure such as roads, bridges and rail infrastructure. Meanwhile, the European Union has approved a recovery plan for Europe that involves the implementation of the largest financing package in history. In Australia, the National Infrastructure Plan was approved to build “a stronger Australia”.

**Financing gap:** Despite the increase in public spending plans, the reduced budgetary margin and limited availability of public funds makes public-private partnerships (PPPs) key to increasing infrastructure investment capacity and substantially improve the efficiency in project development. The growing use of PPP models to finance infrastructure projects, mainly in countries where regulation was not yet ready to accommodate them, is significantly increasing the funds available and giving rise to opportunities for investment in new projects. On the other hand, the tightening of financial terms and conditions in bank financing and new requirements — in particular with regard to sustainability — are a challenge for the sector, but the growing trend in financial markets towards sustainability is a challenge in terms of financial requirements but also opens up new investment flows and financing models (sustainable finance, impact investing, green and social bonds) based on ESG criteria.


**Sustainability:** The need to adapt infrastructure to the risks arising from climate change, the decarbonisation of the economy, compliance with greater regulatory requirements in terms of sustainability, as well as the increase in stakeholder demands on companies, represent one of the main challenges facing the sector. In this regard, the ACS Group is positioned as the market leader in the development of green buildings in the US. In 2021, projects were developed in this segment for a value of approximately EUR 10,688 million. Furthermore, digitalisation, the use of new technologies, materials and construction methods will contribute to the development of more sustainable, efficient and resilient infrastructure. The ACS Group is in a very advantageous position to face the challenges and take advantage of the opportunities of the sector as a result of its undeniable commitment to sustainability, which can be seen this year in the publication of the new 2025 Sustainability Master Plan.



## CHRONOLOGY

The Group's success story is based on efficient organisation and dynamic and enterprising management, implemented through successive mergers, acquisitions and strategic plans committed to maximising profitability for its shareholders. The ability to integrate, assimilate and develop a common culture has enabled the Group to consolidate its position as an international leader in infrastructure development.



- 1983  Founded in 1968  
Construction company based in Badalona, Spain, which was restructured following its acquisition and relaunched. It is the seed from which the ACS Group grew into what it is today.
- 1986  Founded in 1942  
Spanish construction company, the acquisition of which represented a large expansion for the Group in the 1980s.
- 1988  Founded in 1919  
Company specialising in power lines and the developer of the Spanish electricity grid; represented the first diversification in industrial services.
- 1989  Founded in 1948  
Industrial services company; a leader in Spain and Latin America, it was a stock exchange acquisition that led the Group's expansion in this area.
- 1992  Founded in 1992  
Industrial services company; a leader in Spain and Latin America, it was a stock exchange acquisition that led the Group's expansion in this area.
- 1996  Founded in 1945  
A state-owned construction company, it increased the Group's national presence.
- 1997  Founded in 1930  
One of the most important construction companies in Spain, specialising in civil engineering projects.
- 1997  Founded in 1928  
One of the most experienced railway development companies in Spain, with more than 80 years of experience. It joined the ACS Group as a subsidiary of Ginés Navarro.
- 1997  Founded in 1997  
World leader in infrastructure development. It was the result of a merger between OCP and Ginés Navarro in 1997.
- 2003  Founded in 1941  
Leader in Spain and a very diversified company. By merging with ACS, it created one of the five largest companies in the world and laid the foundation for the Group's future growth.
- 2003  Founded in 1992  
Initially focused on providing cleaning services to public entities, it has become the benchmark multi-service company in Spain.
- 2011  Founded in 1873  
A leading company in Germany with a presence in over 50 countries, it is the ACS Group's international growth platform.
- 2011  Founded in 1902  
A HOCHTIEF subsidiary since 1999, America's leading general contractor is present practically throughout the entire country, developing large, non-residential building projects.
- 2011  Founded in 1949  
A HOCHTIEF subsidiary acquired in 1983, as of 31/12/2021 it holds 78.58% of the company's shares. It is Australia's leading construction company and a world leader in mining concessions.
- 2018  Founded in 2003  
Abertis is one of the leading operators in toll road management, with almost 8,000 kilometres of roads in 16 countries, in which the ACS Group has approximately a 50% interest.
- 2021  In December 2021, the ACS Group closed the sale of most of its Industrial Division led by the Cobra Group.

## 2.2. CORPORATE STRATEGY THAT CREATES SHARED VALUE

The ACS Group operates in an increasingly complex and competitive environment that entails numerous risks and uncertainties, forcing the Group to adapt its strategy to the challenges and opportunities that arise in a highly dynamic global sector.

The ACS Group has consolidated a leading business model worldwide in its sector, featuring extensive diversification in terms of geography and business activity, thanks to its strategy of pursuing global leadership, optimising the profitability of the resources employed and promoting sustainable development. These three pillars ensure the generation of shared value for all its stakeholders and sustainable and profitable growth for its shareholders.



# BUILDING A BETTER FUTURE THROUGH THE DEVELOPMENT AND OPERATION OF INFRASTRUCTURE THAT HELPS THE ECONOMIC AND SOCIAL PROGRESS OF THE COUNTRIES IN WHICH WE ARE PRESENT



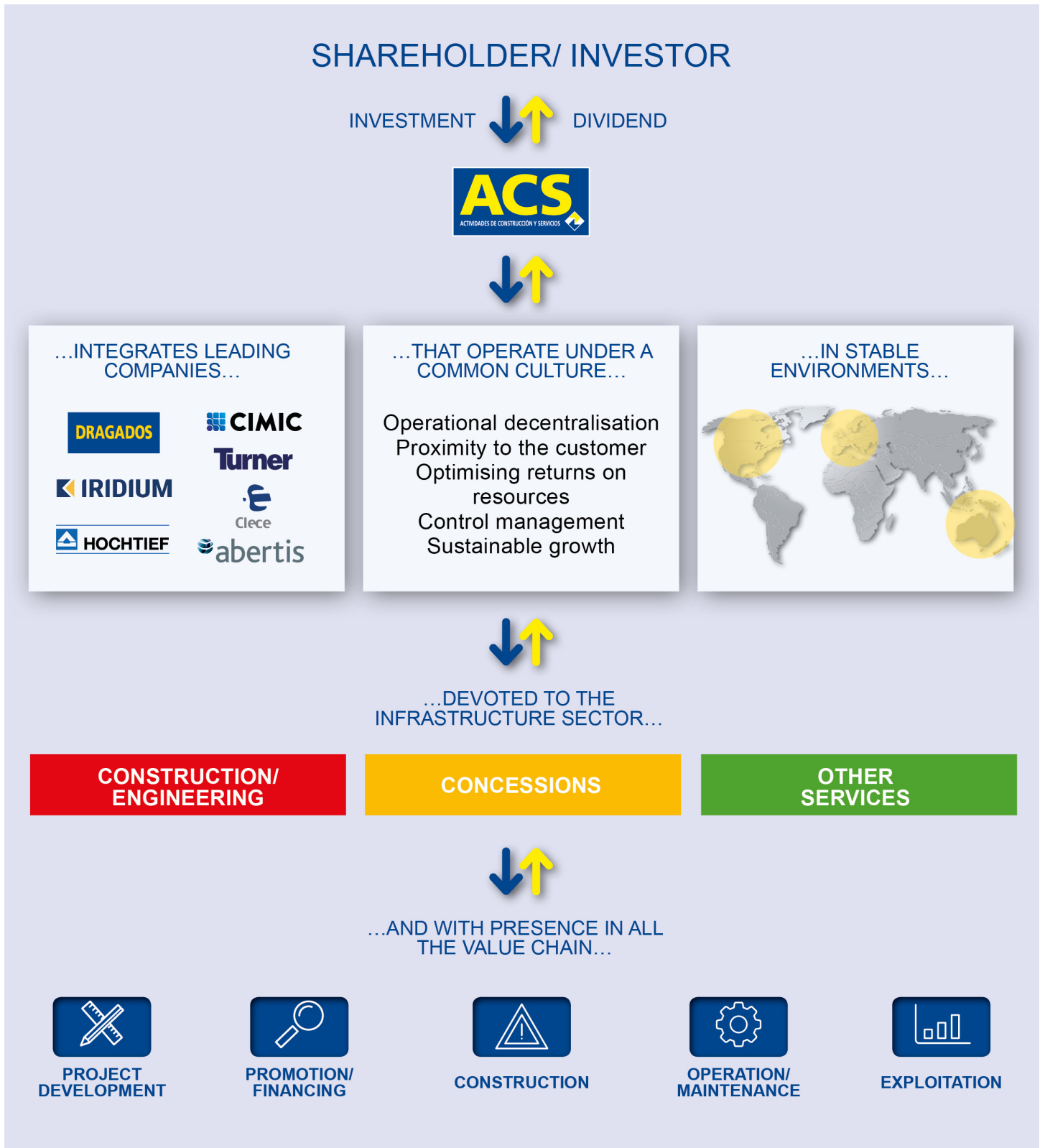
## SUSTAINABLE AND PROFITABLE GROWTH



## COMMITMENT TO SUSTAINABILITY

## 2.2.1. BUSINESS MODEL

The ACS Group business model guarantees maximum profitability to its shareholders while generating value in the form of social and economic development in the environments where the Group companies operate.



## INPUTS

Gross operating  
investments  
(€ mn)

**167**

Gross investment in  
projects and financial  
investments  
(€ mn)

**353**

Employees

**122,502**

Graduates and students  
with diplomas

**16.2%**

Investment in R&D  
(€ mn)

**39**

Number of ongoing R&D  
projects

**81**

## DIALOGUE WITH STAKEHOLDERS

Meetings organized by  
investor relations

**172**

Calls/emails from  
shareholders answered

**980**

## CONSUMPTION

Water  
(m3)

**5,860,265**

Total energy  
consumption  
(MWH)

**1,609,496**

Total wood purchased  
(m3)

**3,031,227**

Total steel purchased  
(t)

**558,038**

Total concrete purchased  
(m3)

**4,659,934**

## OUTPUTS

Turnover  
(€ mn)

**27,837**

Net profit  
(€ mn)

**3,045**

Dividends paid and  
treasury stock  
(€ mn)

**879**

Personnel expenses  
(€ mn)

**6,239**

% local employees

**97.4%**

Backlog  
(€ mn)

**67,262**

## COMMUNITY CONTRIBUTION

Investment in social  
action  
(€ mn)

**11.7**

% procurement from  
local suppliers

**83.4%**

## CONSUMPTION

Variation in the intensity  
of Scope 1 emissions/  
sales  
(vs 2020)

**-8.4%**

Variation in the intensity  
of Scope 2 emissions/  
sales  
(vs 2020)

**+11.9%**

Variation in the intensity  
of Scope 3 emissions/  
sales  
(vs 2020)

**+23.5%**

Variation in intensity of  
emissions (total Scope  
1+2+3 emissions/sales)

**+18.8%**

Through this business model, the Group contributes to the creation of shared value as well as the development and consolidation of the economic and social fabric of the territories where it is present.

Specifically, in 2021 the company generated an economic value of EUR 28,387 million. On the other hand, EUR 28,064 million is the value distributed to ensure the well-being of citizens.

| <b>(201-1) Generated, distributed, and withheld economic value (€ mn)*</b> | <b>2020</b>   | <b>2021</b>   |
|--|---------------|---------------|
| Total production value   | 27,853        | 27,837        |
| Financial income   | 143           | 103           |
| Divestments*   | 527           | 448           |
| <b>(1) Economic value generated</b>  | <b>28,523</b> | <b>28,387</b> |
| Operating and procurement expenses   | 20,346        | 20,378        |
| Personnel expenses   | 6,777         | 6,239         |
| Corporate tax  | 113           | 195           |
| Dividends paid and treasury stock  | 1,226         | 879           |
| Financial expenses   | 360           | 361           |
| Resources earmarked for the community                                      | 16            | 12            |
| <b>(2) Distributed economic value</b>                                      | <b>28,838</b> | <b>28,064</b> |
| <b>Withheld economic value (1-2)</b>                                       | <b>-315</b>   | <b>324</b>    |

(\* ) 2020 and 2021 figures are presented in ordinary terms in accordance with ACS Group management criteria. Excludes the divestment of Thies in 2020 and Industrial Services in 2021.





## 2.2.2. DRIVING GLOBAL SUSTAINABILITY OF INFRASTRUCTURE

One of the pillars of the ACS Group's corporate strategy is its undeniable commitment to carrying out its activities in a sustainable and responsible manner, built around the principles defined in the ACS Group's Sustainability Policy.

This Sustainability Policy, which was updated and approved by the Board of Directors in December 2020, sets out the following areas of activity for the ACS Group in this regard, as well as in the Group's relationship with its environment:

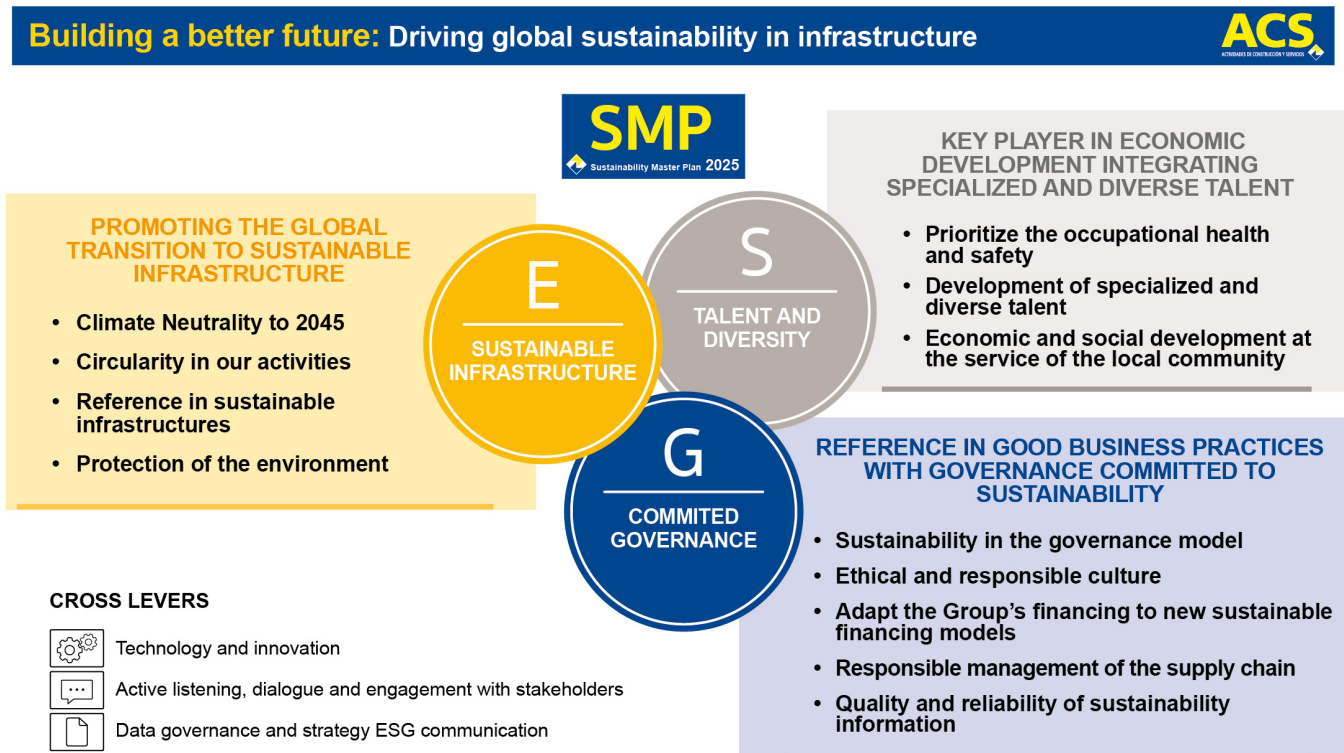
- Respect for ethics, integrity and professionalism in the Group's relationship with its stakeholders.
- Respect for the economic, social and environmental surroundings.



- Promotion of innovation and research as these apply to infrastructure development.
- Creation of employment and well-being as an economic driver for society.
- Appropriate and strict management of the non-financial risks that may affect the Group, maximising the positive impacts and minimising the negative impacts of its activities.

Thus, the ACS Group's Sustainability area brings together the contributions of the Group's different companies, which define their action policies independently and manage their resources as efficiently as possible, always governed by the common principles defined in the ACS Group's Sustainability Policy, while at the same time pursuing the common objectives developed in the 2025 Sustainability Master Plan approved by the Board of Directors on 16 December.

This Plan sets out the Group's three strategic priorities and the twelve commitments with regard to sustainability that the ACS Group has set itself to continue **driving global sustainability in infrastructure:**



These three commitments include 26 strategic lines and 38 objectives are established for 2025 with the aim of continuing to create shared value and maintaining the ACS Group's position as a global leader in the infrastructure sector.

Considering the requirements of stakeholders in terms of sustainability and the material issues identified, the ACS Group has established 17 of these objectives as priorities for 2025:



**SMP 2025: With 17 priority objectives for 2025** **ACS**  
ACTIVIDADES CONSTRUCCION Y SERVICIOS

| E<br>SUSTAINABLE<br>INFRASTRUCTURE  | S<br>TALENT AND<br>DIVERSITY   | G<br>COMMITTED<br>GOVERNANCE   |
|---|--|--|
| <b>EMISSIONS   CO<sub>2</sub> Reduction vs 2019</b><br><br>SCOPE 1: <b>-15%</b> 2025   <b>-35%</b> 2030<br>SCOPE 2: <b>-30%</b> 2025   <b>-60%</b> 2030<br><br><b>CIRCULARITY   Waste</b><br><br><b>80%</b> Waste → reuse/recycling<br>Minimization non-hazardous waste destined for landfill<br><br><b>SUSTAINABLE INFRASTRUCTURE</b><br><br><b>45%</b> of infrastructure sale = Projects with sustainable certification<br>Increase % activities under certified environmental management systems | <b>HEALTH AND SAFETY   Priority Objective</b><br><br><b>97%</b> of employees subject to certified Health and Safety management systems<br><b>-15%</b> frequency rate in own employees<br><br><b>DIVERSITY   Gender equality</b><br><br><b>+25%</b> women in Senior Management position<br><b>20%</b> women in positions of responsibility<br><br><b>INCLUSION AND SOCIAL ACTION</b><br><br><b>+7%</b> employees belonging to vulnerable groups<br><br>Increase Funds for social action and improving measurement of impact | <b>GOVERNANCE AND COMPLIANCE</b><br><br>Strengthen sustainability governance<br><br><b>100%</b> of employees with responsibility in compliance matters trained<br><b>100%</b> of own operations evaluated in the field of Human Rights<br>Quantify the volume of sustainable assets in the ACS portfolio aligned with the EU Environmental Taxonomy<br><br><b>SUPPLY CHAIN</b><br><br><b>75%</b> of suppliers trained in the Business Partner Code of Conduct<br><b>100%</b> of the direct critical suppliers evaluated in terms of sustainability |

The ACS Group's Sustainability Master Plan is in line with:

- the Group's corporate purpose and strategy,
- the fight against climate change,
- the demands and requirements of stakeholders,
- and achieving the United Nations Sustainable Development Goals.

The new 2025 Sustainability Master Plan therefore makes a substantial contribution to the achievement of 6 priority Sustainable Development Goals.

The Master Plan will enable the Group to increase its contribution to the Sustainable Development Goals, which has a positive impact on society.



## 2.2.3. THE ACS GROUP IN 2021<sup>2</sup>

### 1. Good performance of operating activities

The Group's operating activities performed well in 2021 in all business areas in an environment still affected by the global COVID-19 pandemic.

- Construction activities, which remain virtually stable compared to 2020 and still affected by the exchange rate, show a clear trend towards recovery in the second half of the year with a level of contracting that exceeded EUR 34,682 million by the end of 2021.
- With regard to Abertis, average daily traffic (+21%) recovered to pre-pandemic levels in some regions. In comparison with 2020, Abertis' contribution to the Group's net profit amounted to EUR 117 million, compared to the loss of EUR 35 million in the previous year.

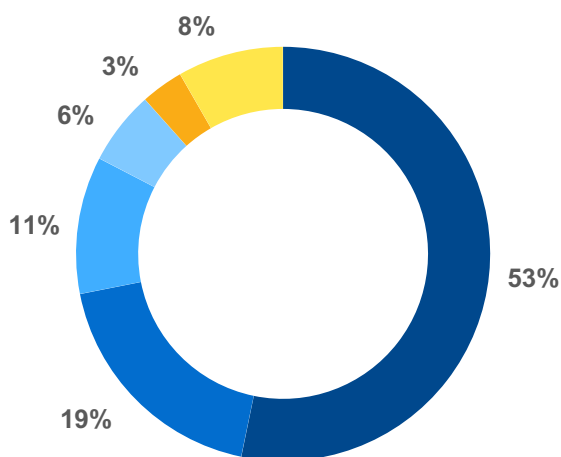
- The Services business, which had to temporarily shut down its activity during the first few months of the pandemic last year, recovered its level of activity with growth of 5.7% to EUR 1,643 million, with operating margins recovering to pre-pandemic levels.

The Group's key operating figures in 2021 are as follows:

| KEY OPERATING FIGURES      |        |        |        |
|----------------------------|--------|--------|--------|
| EURO MILLION               | 2020   | 2021   | Var.   |
| <b>TURNOVER</b>            | 27,853 | 27,837 | -0.1%  |
| <b>EBITDA</b>              | 1,384  | 1,598  | +15.5% |
| <b>EBIT</b>                | 941    | 1,084  | +15.2% |
| <b>ORDINARY NET PROFIT</b> | 542    | 720    | +32.9% |
| <b>REPORTED NET PROFIT</b> | 574    | 3,045  | n.a.   |

### SALES BREAKDOWN BY KEY COUNTRIES

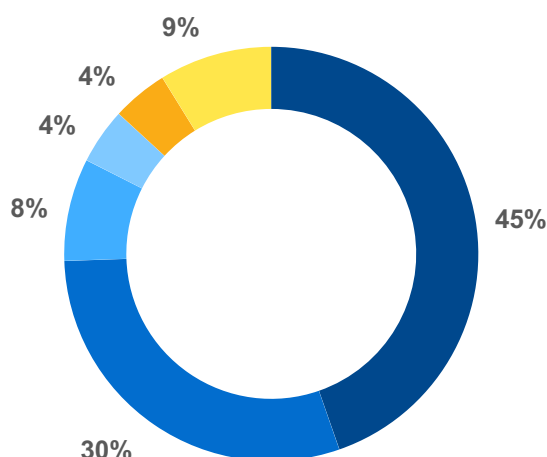
MILLIONS OF EUROS



United States  
Spain  
Germany  
Oceania  
Canada  
Others

### BACKLOG BREAKDOWN BY KEY COUNTRIES

MILLIONS OF EUROS



United States  
Spain  
Germany  
Oceania  
Canada  
Others

### 2. Achieving a project backlog at record highs

The current project backlog, which is at record highs, amounts to EUR 67,262 million, up 11.3% on the previous year, with broad diversification across regions and activities, but focused on regions with growth potential and safe environments.

The growth trend of the backlog in recent years was interrupted only by the slowdown in contracting as a result of the global COVID-19 pandemic.

This year contracting has returned to normal, reaching EUR 36,471 million, up 41.2% on the previous year.

The ACS Group's current geographical diversification facilitates mitigation of adversity in the macroeconomic environment and the cyclical nature of construction activity in small markets, thus taking advantage of growth opportunities in more favourable environments and

<sup>2</sup> Figures presented based on the ACS Group's management criteria. 2020 on a like-for-like basis restated due to the sale of Industrial Services and the 50% interest in Thiess

consolidating its presence in countries with greater potential for stable growth.

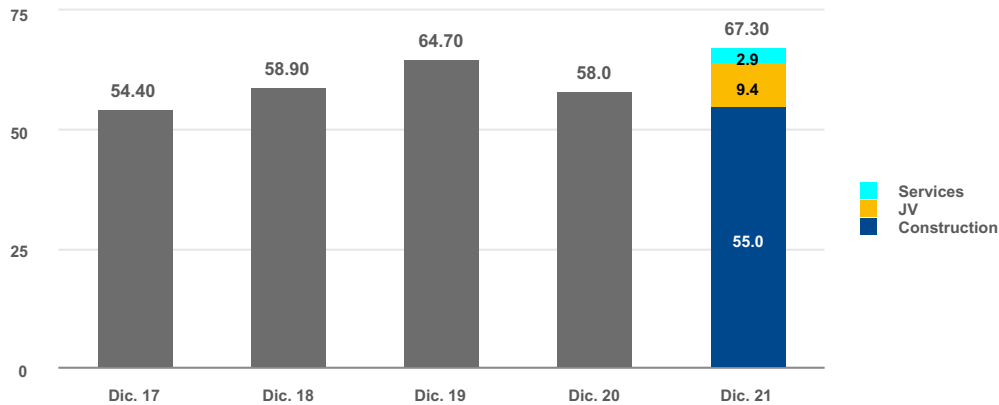
More than 97% of the backlog comes from developed economies, which shows strength with positive performance in key markets, recovering from the impacts of

COVID in the previous year, which led to a reduction in contracting activities with a slowdown in awards.

The ACS Group has identified a backlog of public-private participation (PPP) projects with a total value of EUR 600,000 million to be developed over the coming years, located in the Group's strategic regions.

## BACKLOG EVOLUTION OVER THE LAST 5 YEARS

MILLIONS OF EUROS



### 3. Gaining a solid financial position to face a new strategic phase

The ACS Group had a net cash position of EUR 2,009 million at the end of 2021. This significant improvement in the financial position is a result of completing the sale of Industrial Services, which resulted in proceeds of EUR 4,980 million and the deconsolidation of EUR 859 million in cash from the business at the beginning of the year.

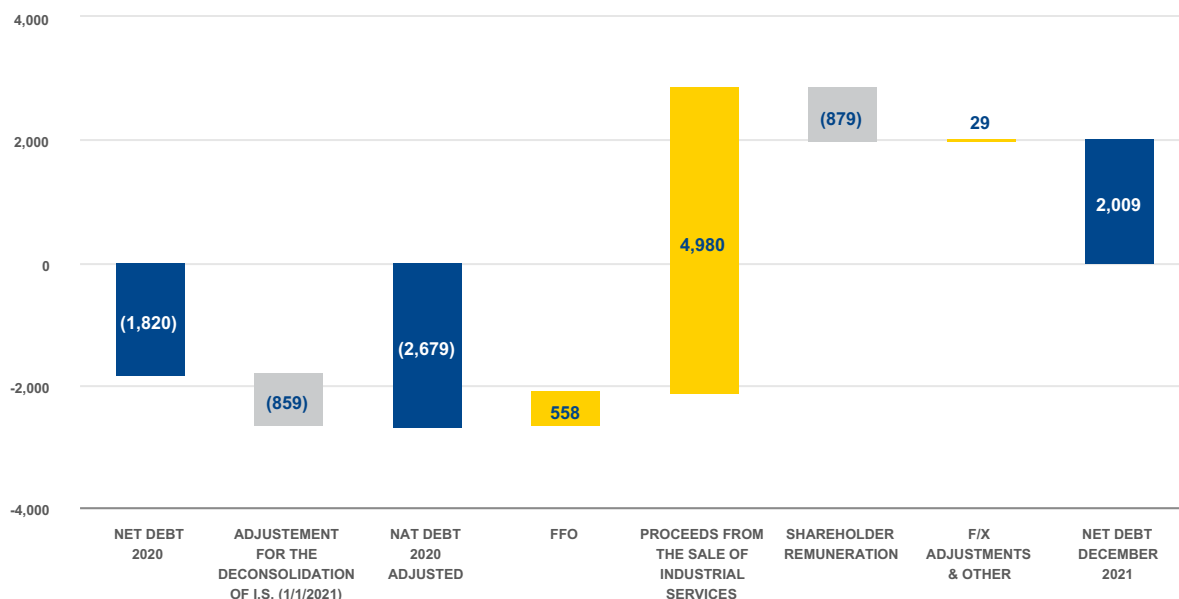
In 2021, the ACS Group's activities generated — before

changes in working capital and operating investments — a total of EUR 1,073 million, with approximately 70% generated by the Construction and Services business and the remaining 30% by the Concessions business.

The Group allocated EUR 879 million to remuneration for shareholders and non-controlling interests.

## CHANGES IN THE FINANCIAL POSITION FOR 2021

MILLIONS OF EUROS



#### 4. Simplifying the Group's structure

##### a. Sale of Industrial Services

On 30 December 2021, the ACS Group closed the sale of the Industrial business for a total value of EUR 5,580 million (EUR 4,980 million received in 2021 and EUR 600 million linked to the development of the renewables portfolio, at a rate of EUR 40 million per GW).

The agreement also includes the creation of a joint venture for the development of the renewables portfolio that ACS and Vinci will undertake in the coming years. In addition, the ACS Group has a portfolio of renewable energy and water assets, with a market value of more than EUR 1,000 million. Therefore, the net value of the Group's industrial business in 2021 exceeded EUR 6,600 million.

##### b. Acquisition of 21.42% of Cimic

On 23 February 2022, HOCHTIEF, as the majority shareholder of CIMIC with a 78.58% interest, announced its intent to carry out an off-market takeover bid, which would be unconditional and final, to acquire the remaining shares of CIMIC, equal to 66.6 million shares, for AUD 22 per share. With this investment of close to AUD 1,500 million (EUR 950 million), the Group intends to fully integrate CIMIC into the organisation and promote its growth in a very attractive market with a promising future.

##### c. Investment in infrastructure development and operation

Following these strategic decisions, the ACS Group will continue to promote investment in the development and operation of infrastructure concession assets to increase the weight of assets with more recurring cash flow, balancing the sources from which funds are generated between the Construction and Concession activities to obtain greater visibility with regard to the Group's future results and dividends.

#### 5. Creating value for society as a whole

In 2021, the ACS Group continued to make progress in its commitment to the creation of shared value, through the three areas that make up sustainability.

With regard to good corporate governance, in December 2021 the Board of Directors approved the 2025 Sustainability Master Plan, setting out the ACS Group's strategic priorities, lines of action and objectives, which include strengthening the Group's governance model with regard to sustainability. Furthermore, the ACS Group continued to adapt to the recommendations of best practices in good governance, internal regulations and the compliance management system. The approval in 2021 of a new Corporate Governance Policy, as well as the update to the ACS Group's Code of Conduct, which includes the new Whistleblowing Channel Operating Policy, are noteworthy of mention.

Regarding environmental matters, the ACS Group's strategy has followed the basic lines of action established in the fight against climate change, circular economy and sustainable infrastructure. In this regard, the reduction of Scope 1 and Scope 2 emissions by 4.0% compared to 2020 should be noted. The rate of waste destined for recovery operations accounted for 83.8% of the Group's total waste and sales of sustainably certified infrastructure projects reached EUR 10,688 million in 2021, increasing by 19.2% compared to 2020.

Finally, with regard to social matters, following the impact of Covid-19 in this area during 2020, training has been increased, the commitment to labour inclusion has continued and occupational health and safety continued to be prioritised. Therefore, the total number of training hours provided in 2021 increased by 33.5% compared to the previous year, with 56,263 employees trained in the reporting year. Furthermore, in 2021 the Group had 10,320 employees belonging to vulnerable groups, and the employees who received occupational health and safety certification under the OHSAS 18001 standard rose in 2021 to 91.8% of the total employees.



## RELEVANT EVENTS OF 2021

|            |   |
|------------|---|
| <b>FEB</b> | <p><b>DIVIDENDS</b></p> <p>Payment of an interim dividend at EUR 0.45 per share.</p>  |
| <b>MAR</b> | <p><b>CORPORATE GOVERNANCE</b></p> <p>Marcelino Fernández Verdes expressed his wish not to continue as the Company's Chief Executive Officer and declined to stand for re-election as a director of the Company at the General Meeting held on 7 May 2021.</p>  |
| <b>APR</b> | <p><b>LOANS, CREDIT FACILITIES AND OTHER FINANCIAL TRANSACTIONS</b></p> <p>Renewal of the short-term commercial paper (ECP) programme for a maximum total of EUR 750 million, to be listed on the Dublin Stock Exchange (Ireland).</p>  |
| <b>MAY</b> | <p><b>CORPORATE GOVERNANCE</b></p> <p>Holding of the General Meeting.<br/>Re-election of the proprietary directors Carmen Fernández Rozado and José Eladio Seco Domínguez.</p> <p><b>LOANS, CREDIT FACILITIES AND OTHER FINANCIAL TRANSACTIONS</b></p> <p>Renewal of the Euro Medium Term Notes programme for a maximum aggregate principal of EUR 1,500 million, with a minimum unit face value of EUR 100,000 and a term of not less than one year, to be listed on the Dublin Stock Exchange (Ireland).</p>  |
| <b>JUN</b> | <p><b>TRANSFERS AND ACQUISITIONS OF SHAREHOLDINGS</b></p> <p>Sale of Continental Rail, S.A.U. to the French CMA CGM Group, through the subsidiary Vías y Construcciones, S.A., for a company value of EUR 19.9 million and with capital gains of EUR 14.8 million.</p>  |
| <b>JUL</b> | <p><b>DIVIDENDS</b></p> <p>Payment of the final dividend with a charge to profit for 2020, amounting to EUR 1.27 per share.</p>   |
| <b>SEP</b> | <p><b>LOANS, CREDIT FACILITIES AND OTHER FINANCIAL TRANSACTIONS</b></p> <p>Agreement to extend the forward contract involving a total of 12 million treasury shares, to be settled exclusively in cash by differences between 10 October 2022 and 3 March 2023 at a rate of 115,385 shares per session.</p>   |
| <b>OCT</b> | <p><b>TRANSFERS AND ACQUISITIONS OF SHAREHOLDINGS</b></p> <p>Sale through the subsidiary Iridium, S.L. of 80% of its 33% interest in both the concession company of the Toledo Hospital and the operator of this hospital to BSIP Spain HoldCo, S.L., a company managed by Brookfield, for a company value (100%) of EUR 401 million, for a price of EUR 59.3 million, and with capital gains of between EUR 25 million and EUR 30 million.</p>   |
| <b>NOV</b> | <p><b>OTHER</b></p> <p>In relation to the recent judgment handed down by the Court of First Instance ordering ACS, as guarantor of the concession operator of the Madrid Radial 3 and 5 toll roads, to pay Haitong Bank Sucursal en España, as agent of the syndicate of banks financing this infrastructure, the sum of EUR 132.8 million plus interest and costs of the proceedings, ACS, Actividades de Construcción y Servicios, S.A. stated:</p> <ol style="list-style-type: none"> <li>That it intends to appeal this judgement and that, according to its lawyers, there are solid grounds indicating that this judgement could be overturned at second instance.</li> <li>That the ACS Group recognised a provision for this full amount.</li> </ol> <p><b>OTHER</b></p> <p>HOCHTIEF was informed of the outcome of the arbitration on a project for the construction of a hydroelectric plant in Chile completed in 2012. The company is assessing the various options to challenge the decision. The ruling, once final, will have a one-off negative impact on HOCHTIEF's nominal net profit of approximately EUR 195 million, of which EUR 146 million will relate to cash flows.</p> <p><b>OTHER</b></p> <p>Reduction of share capital by EUR 3,000,000 through the redemption of 6,000,000 treasury shares of the Company under a resolution passed by the ACS Board of Directors</p> |

## TRANSFERS AND ACQUISITIONS OF SHAREHOLDINGS

### DEC

The ACS Group and the Vinci Group signed the public deed of sale for most of the ACS Group's Industrial Division agreed on 31 March, with the carve-out process yet to be concluded for certain predetermined assets that the ACS Group will retain. Part of this carve-out process was carried out in January.

The ACS Group received EUR 4,902 million as consideration. Dividends of EUR 78 million were previously received from this division. The ACS Group obtained a net capital gain of EUR 2,909 million.

In addition, a maximum variable payment of EUR 600 million will be received in cash at a rate of EUR 40 million for each GW generated by the Industrial Division (up to "Ready-to-build" status) between 31 March 2021 and up to 7 years following the execution of the sale and purchase, which may be extended for an additional 18 months if the Industrial Division sold fails to generate 6 GW in the first 42 months.

Similarly, both parties reached an agreement regarding the specific terms for the creation and operation of a joint venture to which they will contribute all the renewable assets developed by the Industrial Division — once they are completed, connected to the grid and ready to produce — subject to the agreement at least eight and a half years after the execution of the sale and purchase. Vinci will hold 51% of the voting and dividend rights and ACS will hold the remaining 49% of this company, which is an essential element of the transaction's value creation for the ACS Group.

## SUBSEQUENT EVENTS

On 3 January 2022, ACS, Actividades de Construcción y Servicios, S.A. agreed to carry out the second capital increase with a charge to reserves approved by the shareholders at the Annual General Meeting held on 7 May 2021. The purpose of the capital increase is to implement a flexible formula for shareholder remuneration ("optional dividend"), so that shareholders may choose to continue to receive cash remuneration or to receive new shares in the Company.

Furthermore, the Company agreed to carry out the second capital reduction through the retirement of treasury shares, which was approved at the same General Meeting, for a maximum amount equal to the amount by which the share capital was actually increased as a result of the second capital increase referred to in the previous paragraph.

ACS, Actividades de Construcción y Servicios, S.A. agreed to purchase from its shareholders the bonus issue rights corresponding to this second capital increase at a price that was set at a fixed gross amount of EUR 0.468 for each right.

After the negotiation period for the bonus issue rights corresponding to the second bonus issue, the irrevocable commitment to purchase rights assumed by ACS was accepted by the holders of 40.28% of the bonus issue rights. After the decision-making period granted to the shareholders had elapsed, in January 2022 the following events took place:

- The dividend was determined to be a total gross amount of EUR 57,425,748.12 (EUR 0.468 per share) and was paid on 1 February 2022.

- The number of final shares subject to the capital increase was 3,047,466 for a nominal amount of EUR 1,523,733.00, which were redeemed simultaneously for the same amount. (see Note 15.05 to the Consolidated Annual Accounts).

On 24 January 2022, in accordance with the resolution passed at the Annual General Meeting held on 7 May 2021, the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A. agreed to reduce share capital, with a charge to profit or unrestricted reserves, through the retirement of the Company's treasury shares for a nominal amount of EUR 5 million through the retirement of 10 million ACS treasury shares, making the corresponding provision with a charge to reserves as indicated in section 335.e) Corporate Enterprises Act.

On 23 February 2022, HOCHTIEF, the majority shareholder of Cimic with a 78.58% interest, announced its intent to carry out an off-market takeover bid, which would be unconditional and final (unless a counter-offer is submitted by a third party), to acquire the remaining shares of Cimic for AUD 22 per share. Cimic's shareholders that accept the offer will receive payment in cash within five business days of acceptance.

Russia began its invasion of Ukraine on 24 February 2022. To date this has had limited or no impact on the Group in terms of its business activities, as it does not have a presence in the territories or geographical areas concerned. However, given the current uncertainty in the markets, which has worsened the situation of the commodities market and resulted in an energy crisis that has driven up the price of the main energy sources, Group management is constantly analysing and monitoring the effects that this increase in raw materials may have.



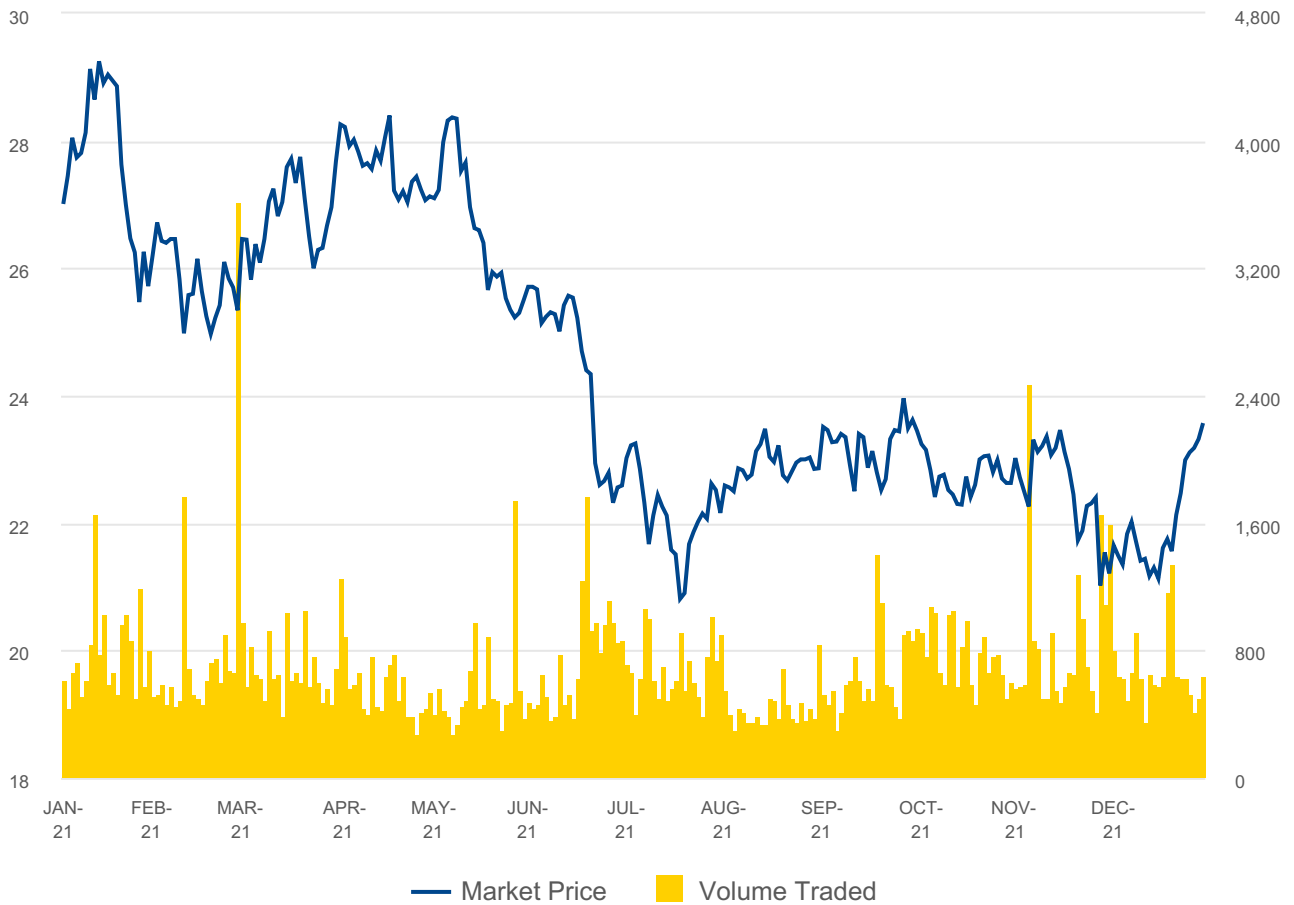
For more information: Relevant events on the corporate website

## 2.2.4. CAPITAL MARKETS

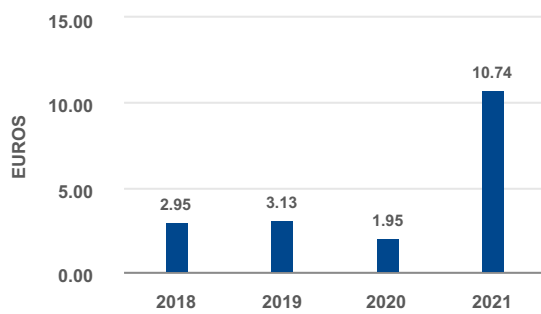
CLOSING PRICE  
EUROS

### EVOLUTION OF ACS SHARES IN 2021

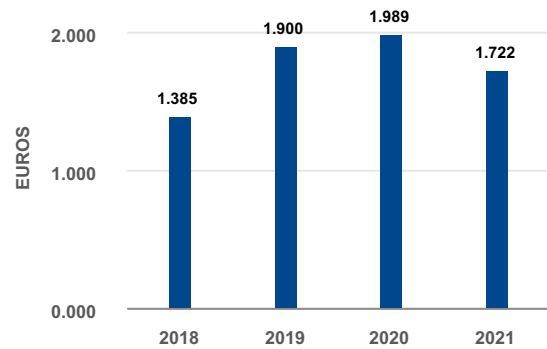
VOLUME OF  
SECURITIES  
THOUSANDS



### EARNINGS PER SHARE



### DIVIDEND PAID PER SHARE



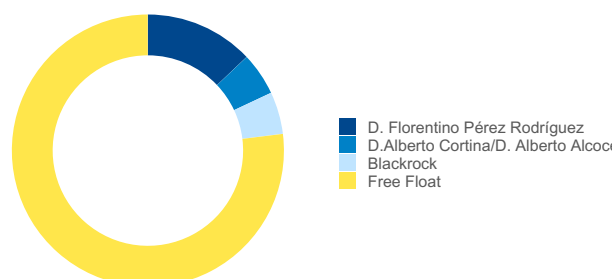


## ACS SHARE DATA

|   | 2018    | 2019    | 2020     | 2021    |
|---|---------|---------|----------|---------|
|   | Jan-Dec | Jan-Dec | Jan-Dec  | Jan-Dec |
| Closing Price at the end of the period                | 33.83   | 35.65   | 27.15    | 23.57   |
| Revaluation of the period                             | 3.71%   | 5.38%   | -23.84%  | -13.19% |
| Revaluation of the IBEX during the period             | -14.97% | 11.82%  | -15.45%  | 7.93%   |
| Revaluation of the period vs. IBEX                    | 21.97%  | -5.76%  | -24.01%  | -19.16% |
| Period Maximum  | 37.83   | 40.93   | 35.19    | 29.25   |
| Maximum date of the period                            | 21-Sep  | 30-Apr  | 2-Jan    | 14-Jan  |
| Period Minimum  | 27.10   | 32.79   | 11.45    | 20.81   |
| Minimum date of the period                            | 6-Mar   | 15-Aug  | 19-Mar   | 19-Jul  |
| Average of the period                                 | 33.73   | 36.51   | 22.78    | 16.82   |
| Total volume of traded securities (thousands)         | 175,727 | 171,395 | 331,267  | 254,919 |
| Total capital turnover                                | 55.85%  | 54.47%  | 106.63%  | 83.67%  |
| Average daily volume of traded securities (thousands) | 689.13  | 672.14  | 1,274.10 | 995.78  |
| Average daily capital turnover                        | 0.22%   | 0.21%   | 0.41%    | 0.33%   |
| Total cash traded (€ million)                         | 5,928   | 6,258   | 7,548    | 4,288   |
| Average daily cash traded (€ million)                 | 23.25   | 24.54   | 29.37    | 16.75   |
| Market capitalization end of period (€ million)       | 10,645  | 11,218  | 8,435    | 7,181   |
| Number of shares (million)                            | 314.66  | 314.66  | 310.66   | 304.66  |

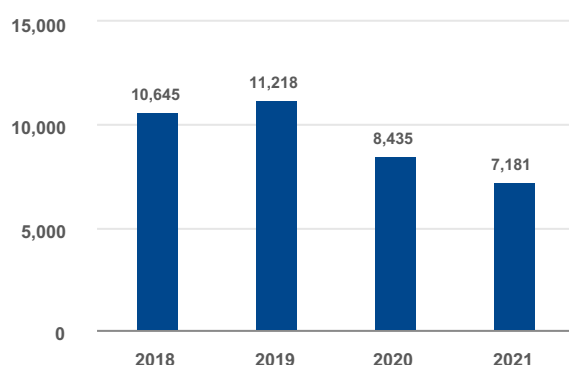
## SHAREHOLDER STRUCTURE

| Shareholder name or company name        | Percentage over the total number of shares |
|---|--|
| Mr. Florentino Pérez Rodríguez          | 12.93 %                                    |
| Mr. Alberto Cortina/Mr. Alberto Alcocer | 5.10 %                                     |
| Blackrock                               | 5.00 %                                     |
| Free Float                              | 76.96 %                                    |



## MARKET CAP (€ MN)

EURO MILLION



## FYNANCIAL ANALYSTS RECOMMENDATIONS



**TARGET PRICE  
AT 31-DEC-2021**  
**€30.75**  
EUROS/SHARE  
(SOURCE: BLOOMBERG)

## 2.3. EFFICIENT RISK MANAGEMENT

### DUAL SYSTEM FOR RISK MONITORING AND CONTROL

The ACS Group is subject to various risks inherent to the various 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.

As part of the June 2020 review of the Good Governance Code of Listed Companies, in relation to risk management and internal control systems, the ACS Group resolved to update its General Risk Control and Management Policy and its Comprehensive Risk Control and Management System.

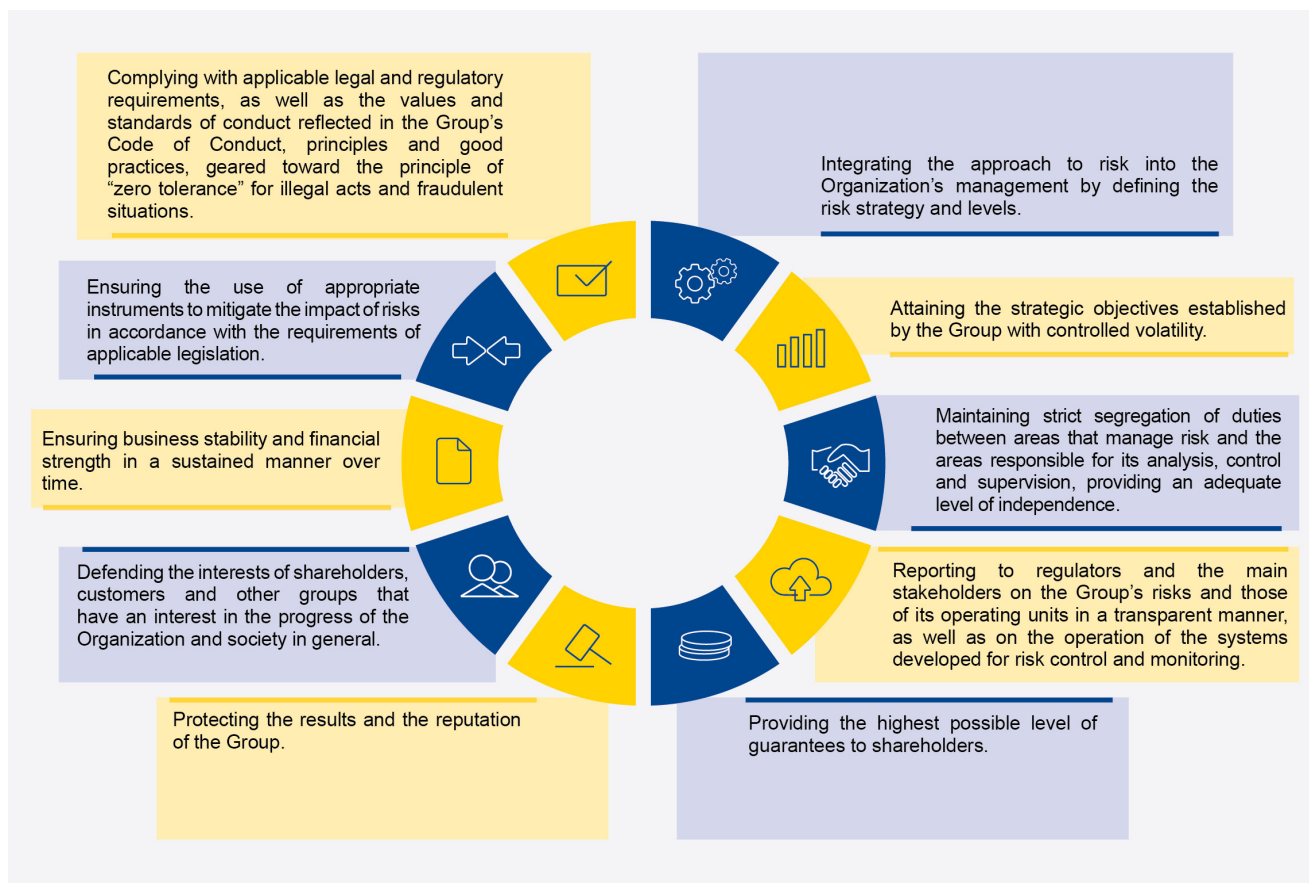
The General Risk Control and Management Policy affects, as a regulatory framework, all areas of the ACS Group. The Comprehensive Risk Control and Management System covers all types of risk that may threaten the fulfilment of the objectives of the Organisation and of the ACS Group companies.

The ACS Group bases this system on a range of strategic and operational actions to mitigate these risks and fulfil the objectives set by the Board of Directors. The Corporation is responsible for defining basic guidelines to standardise operating criteria across each division to ensure an adequate level of internal control.

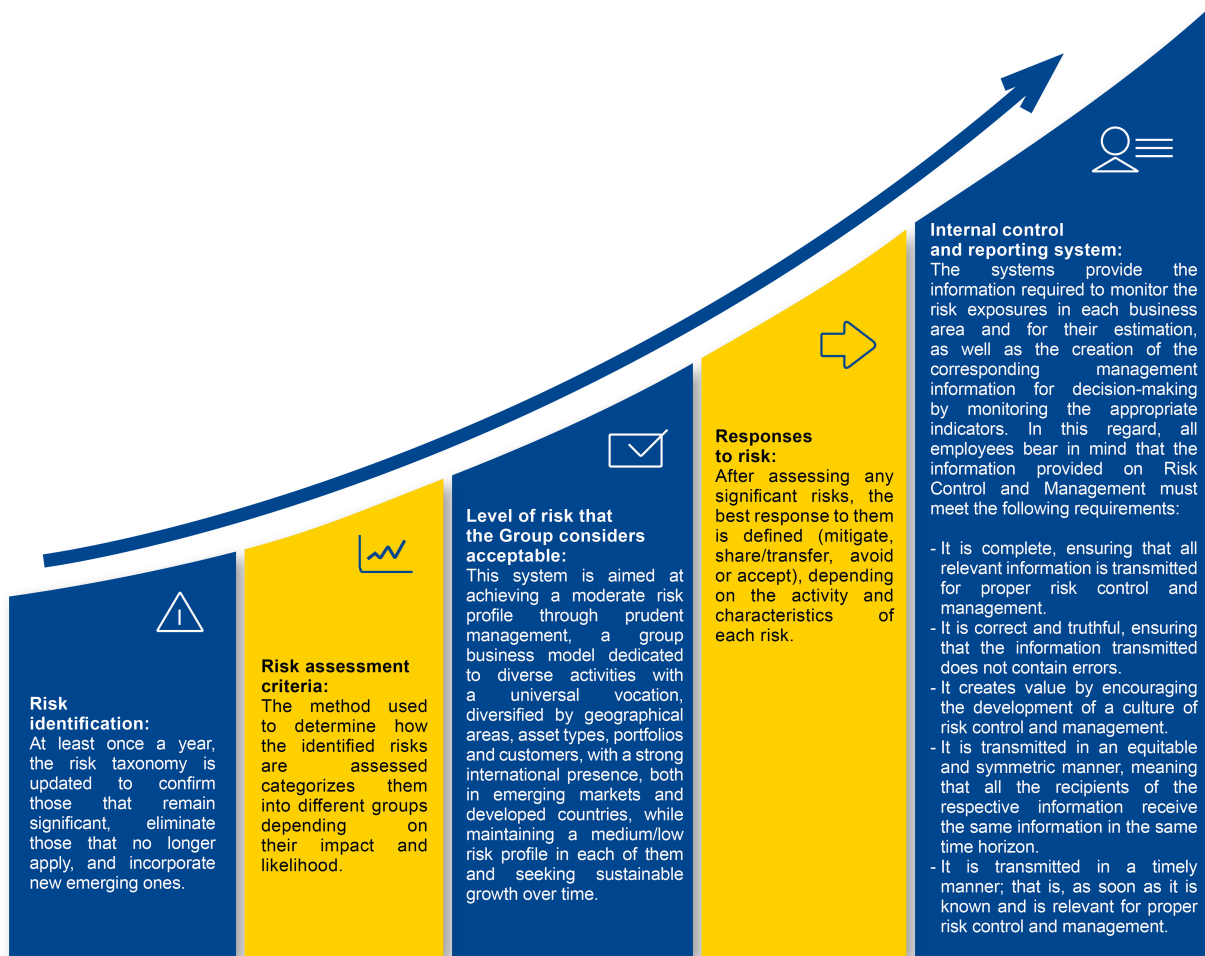
The companies and divisions that form part of the Group are responsible for developing the necessary and appropriate internal regulations so that, depending on the particular characteristics of their activity, they implement internal control that ensures an optimum level of control.

To respond to the need for comprehensive and uniform risk management, the Corporation has established a model that includes the identification, measurement, prioritisation, management and control of risks throughout the Group and its divisions. These identified risks are used to create a risk map that is regularly updated based on the different variables that comprise it and on the Group's areas of activity.

The ACS Group's geographical 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 addition to this corporate framework for Risk Control and Management, each business unit or company may develop their own framework, consistent with the Group's guidelines and following mechanisms and principles for:



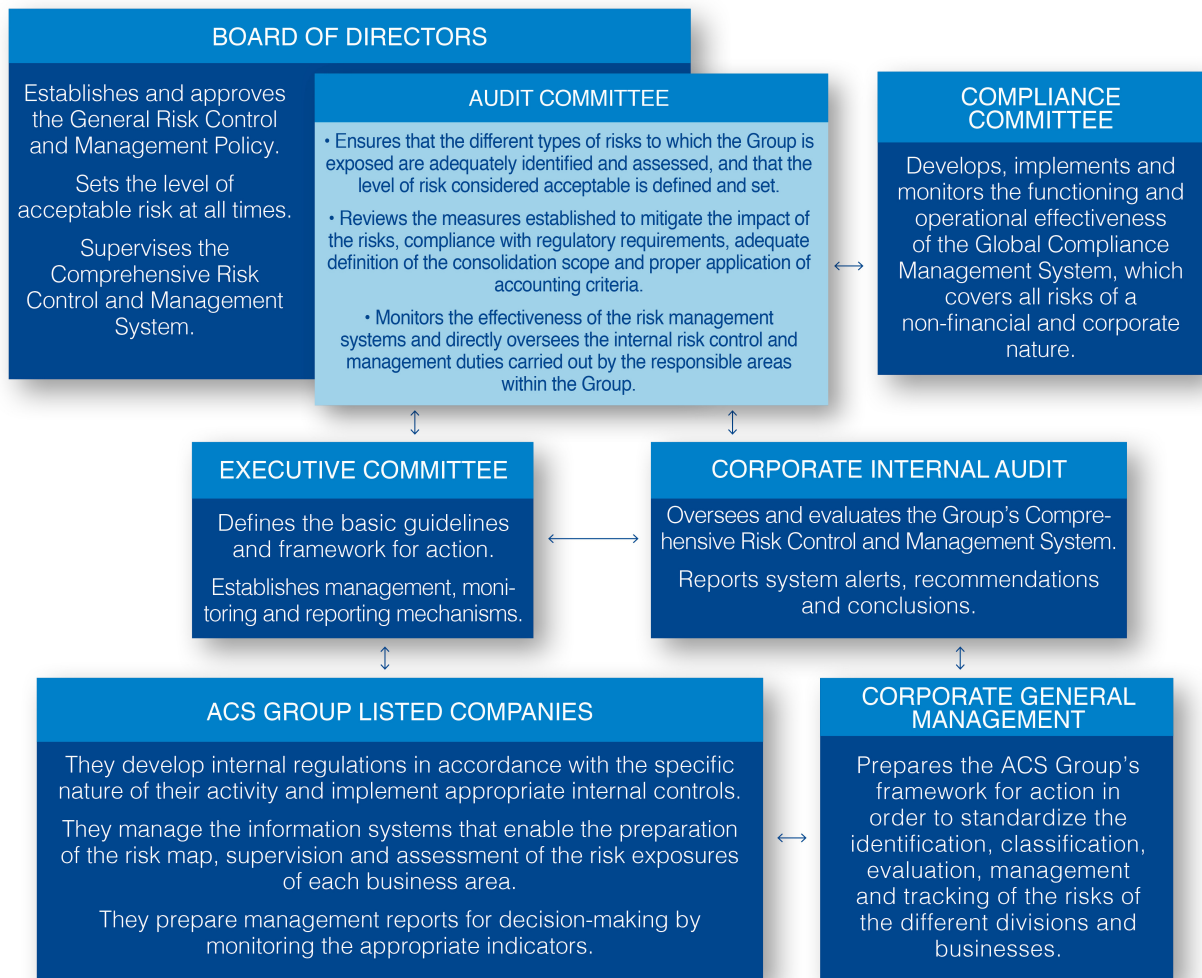
The General Risk Control and Management Policy and its basic principles are implemented through a Comprehensive Risk Control and Management System supported by all the components of the governance model, and through procedures, methodologies and support tools in line with the different stages and activities of the system:



## COMPREHENSIVE RISK CONTROL AND MANAGEMENT SYSTEM



# GOVERNANCE OF THE RISK FUNCTION



The ACS Group's Risk Management System identifies, evaluates and updates the various risk scenarios in accordance with the categories of financial and non-financial risk to which the Group is exposed (including contingent liabilities and other off-balance sheet risks). The ACS Group's Risk Map, which is updated on a regular basis, includes the identification, assessment and classification of risks at Group level. The risks defined, of which there were 40 in total, are classified as follows:

### STRATEGIC

Risks associated with key long-term objectives of the businesses 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.

### ENVIRONMENTAL

Risks linked to potential environmental impacts, including climate change, which could cause harm to society, the environment and the Group, loss of competitiveness, compensation and reparations or could halt works, services or projects in progress.

### OPERATIONAL

Risks associated with the activities carried out by the Group, including all risks related to processes and operations.

### POLITICAL

Risks associated with political changes that may affect legal certainty and the legal framework applicable to the Group's business.

### TECHNOLOGICAL

Risks linked to the technologies and systems used by the businesses and the ACS Group, which could render it unable to efficiently and effectively support present and future needs or possible cyber-attacks.

### 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.

### LEGAL, CRIMINAL AND BRIBERY

Risks arising from non-compliance or lack of oversight and monitoring of regulations applicable to the Group across the 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 shutdown of its activities.

### RELATED TO CORRUPTION

Risks related to the organisation obtaining an undue advantage of any value (which may be of a financial or non-financial nature) directly or indirectly, in violation of applicable regulations.

### SOCIAL

Risks linked to the social rights of employees and individuals related to the businesses or the ACS Group, as well as the socio-economic setting in which it operates.

### FINANCIAL

Risks related to the economic and financial management of the businesses and the ACS Group, the variability of the financial parameters to which it is exposed and the financial reporting processes.

Lastly, it should be noted that, in accordance with the risk management methodology, the rating in the risk map takes into consideration the priority aspects from a Group management perspective (and, therefore, should not be understood as a list of weaknesses or threats that are not adequately covered).



**Financial risks:**  
4.4 Financial risks and uncertainties



**Non-financial risks:**  
5. Consolidated Non-Financial Information Statement

## 3. ACS GROUP ACTIVITIES

- 3.1. CONSTRUCTION
- 3.2. CONCESSIONS
- 3.3. SERVICES





## 3.1. CONSTRUCTION

### A BENCHMARK IN THE INDUSTRY

This area comprises construction activities, through Dragados and HOCHTIEF, and is aimed at carrying out all types of civil construction projects (activities related to developing infrastructure, such as highways, railways, maritime projects and airports), building projects (residential buildings, social infrastructure and facilities) and infrastructures services (railway, transport, communications and technology, energy, resources, water and defence sectors).

The decentralised structure of the Construction activities, together with the specialisation and complementary nature of the various companies, enables the ACS Group to take on larger and more complex projects in a more flexible and customer-focused way.

The ACS Group's Construction area performs its different activities primarily in developed markets with the potential for growth and that offer a stable framework in operational, financial and legal terms, and where the Group already has a consolidated leadership position. The geographic regions with the highest exposure in the Construction area are North America, Asia-Pacific and Europe where:

- In the United States and Canada, which account for 63% of Construction activity sales, HOCHTIEF operates

through its subsidiaries: Turner, the market leader in construction management, and Flatiron, which engages in civil construction work. Likewise, the North American subsidiaries of Dragados (Dragados USA and Dragados Canada, among others) also focus on the execution of civil construction projects.

Sales in the United States and Canada have been marked by the effects of the pandemic, reaching EUR 16,391 million in 2021. The pace of business is gradually picking up after the slowdown in hiring, although it is still affected by the exchange rate against the euro. The backlog of the Construction area showed good performance at the end of 2021 and stands at EUR 32,996 million, confirming the promising near future of construction activities.

Future prospects in the US market are more encouraging due to the infrastructure investment plan announced by the government. The ACS Group's subsidiaries in the region have a long track record that has enabled them to position themselves as leaders in their activity, ready to provide solutions to the increased demand for infrastructure development.

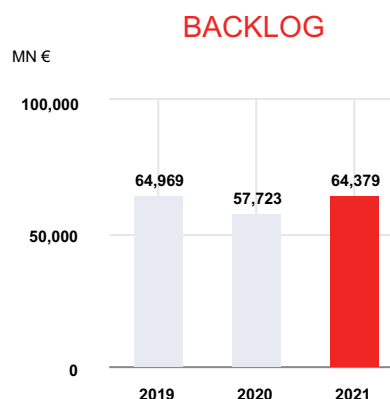
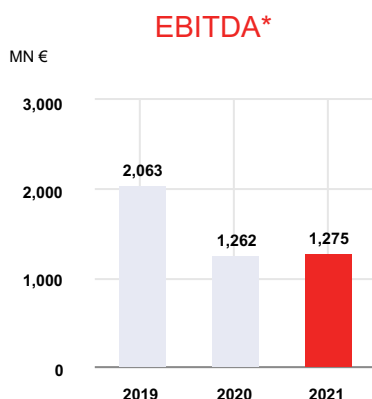
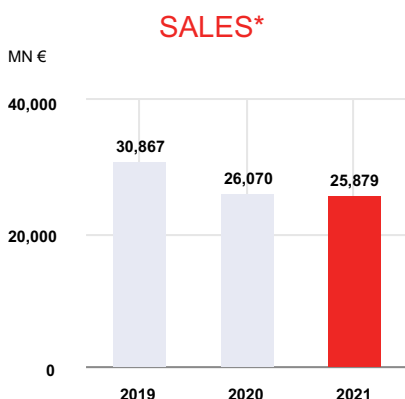
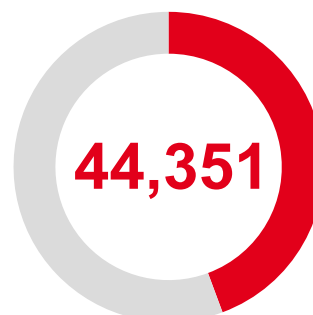
**SALES**  
**25,879**  
MILLION EURO

**BACKLOG**  
**64,379**  
MILLION EURO

**EBITDA**  
**1,275**  
MILLION EURO

**ORDINARY NET PROFIT**  
**273**  
MILLION EURO

### EMPLOYEES



\*Group sales and EBITDA in 2019 include 100% of Thiess' contribution by global integration. Data for 2020 are restated by accounting for 50% of Thiess by the Equity method to make it comparable to 2021.

**87.8%**  
EMPLOYEES COVERED BY OHSAS 18001  
OR ISO 45001

**92.5%**  
LOCAL EMPLOYEES

**1,495,987**  
ENERGY CONSUMPTION (MWH)

**81.3%**  
LOCAL SUPPLIERS

**3,043,479**  
TOTAL EMISSIONS (TONS OF CO<sub>2</sub>)

**4.6**  
INVT. IN SOCIAL ACTION (€ MILLION)



- In the Asia-Pacific region, the Group operates mainly through CIMIC, a HOCHTIEF subsidiary listed for trading in Australia, which accounts for almost 24% of construction revenue. Sales in the region in 2021 amounted to EUR 6,155 million and the backlog stood at EUR 21,277 million at year-end as a result of the recovery in the pace of new projects awarded after the restrictions in place due to the pandemic were lifted.

The future outlook is attractive for CIMIC, which is supported by the numerous recovery plans announced by governments in its main construction and services markets, with additional opportunities through a strong portfolio of public-private partnership (PPP) projects.

- In Europe, the Group operates through Dragados and the HOCHTIEF Europe division, which carry out civil engineering and construction activities, as well as building activities. The main European regions in which they have a presence are Germany (HOCHTIEF), Spain (Dragados), the United Kingdom and Poland, where

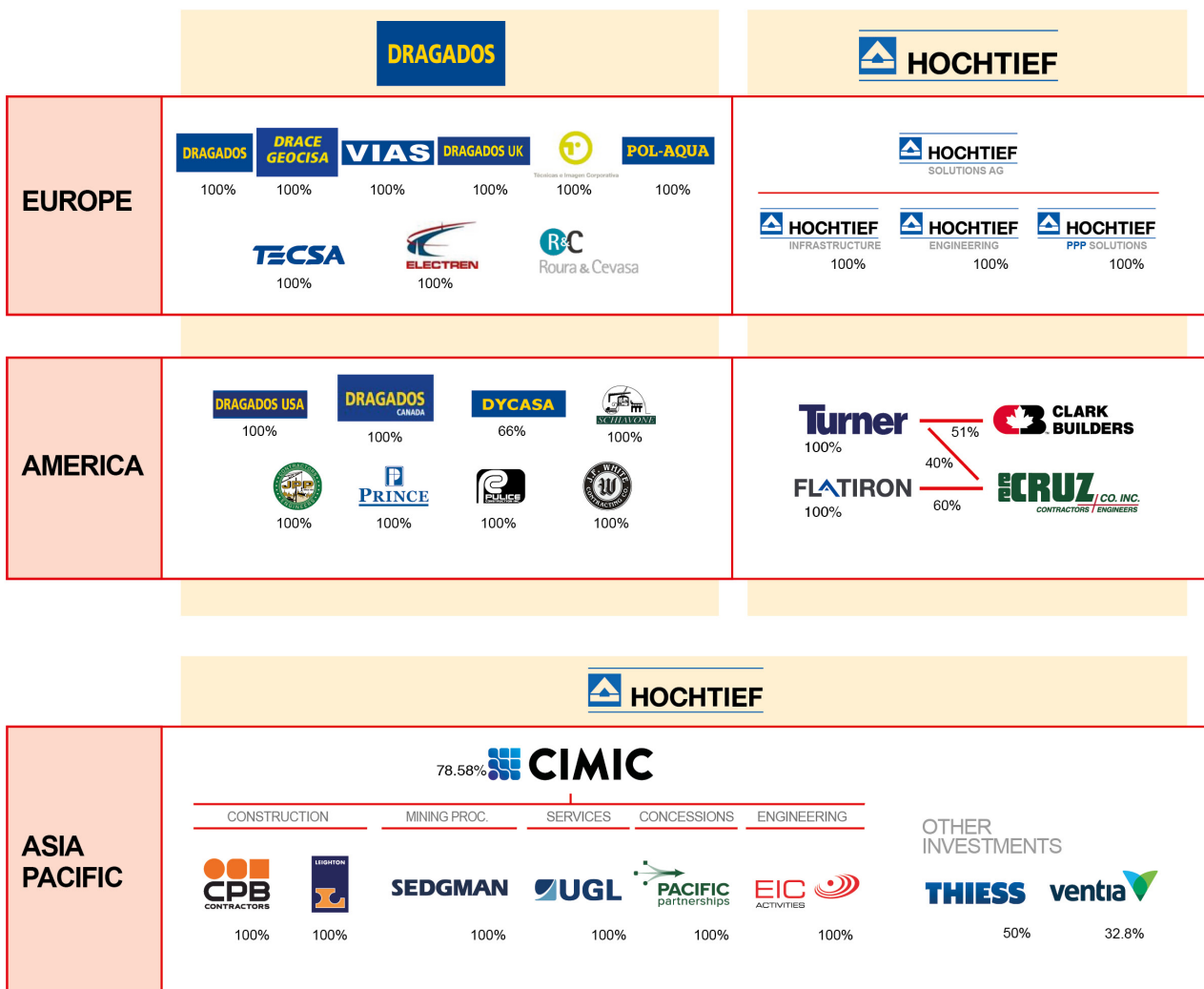
they both operate (Dragados operates through its subsidiaries Dragados UK and Pol-Aqua, respectively).

In 2021, sales reached EUR 3,110 million, remaining virtually stable thanks to the growth of German production and the stability of activity in Spain compared to the previous year. The backlog stood at EUR 9,343 million thanks to the increase in awards of both building and civil construction contracts.

Thanks to the position of the ACS Group and its subsidiaries in the main European market regions in which it operates, the outlook for the future is positive as significant investment in Europe is expected with the collaboration of the European Funds.

HOCHTIEF has identified a backlog of PPP projects with a total value of EUR 600,000 million to be carried out over the coming years. These projects are located in the Group's strategic regions where it has a greater presence, and have a very positive growth outlook for the sector.

## CONSTRUCTION



Dragados is a leading construction company founded in the early 20th century, which mainly engages in civil construction infrastructure projects (highways, railways, maritime works, hydroelectric infrastructure and airports) and both residential and non-residential building projects. Dragados is a global leader in the construction sector, having participated in the creation of more than 7,000 km of highways, 3,500 km of roads, 1,600 bridges, 1,515 km of tunnels, 570 maritime works, 250 dams and hydroelectric plants, 2,700 km of railways, rail transportation and numerous railway facilities, 40 airports and 70 million sq. km of different types of buildings, such as airports, hospitals, museums, high-rise buildings and residential buildings, with a total of 40 LEED and BREEM certificates.

Dragados is the leading construction company in Spain, with a number of national subsidiaries specialising in different areas.

Dragados is also a global leader in construction, in addition to being one of the world's largest contractors in public-private partnerships (PPP), having designed and built more than 100 concession projects worldwide. Dragados is developing major infrastructure projects in other European countries, such as the United Kingdom, Ireland and Poland, where it is established through its subsidiary, Polaqua. Over the past few years, Dragados has consolidated its activity in the United States and Canada thanks to its position and the solid growth of its activity through its North American subsidiaries, Schiavone, Pulice, John P. Picone, Prince Contracting and J.F. White Contracting, and its head companies on the North American continent, Dragados USA and Dragados Canada. Dragados also has extensive experience in the execution of projects in Latin America, with a presence spanning over thirty-five years, especially in Chile and Argentina, where Dycasa operates.

**SALES****4,501**

MILLION EURO

**BACKLOG****12,462**

MILLION EURO

**NET PROFIT****106**

MILLION EURO



HOCHTIEF is a leading global infrastructure group, through its construction, services and concession activities, and public-private partnership (PPP) contracts, focusing primarily on the North American, Australian and European markets.

For almost 150 years, HOCHTIEF has carried out large-scale, complex projects for its customers in its primary area of activity, the construction industry. The Group has also undertaken geographical diversification of its activities and has increased its experience through engineering, mining and maintenance service projects, as well as through public-private partnership and concession projects in both the development phase (Greenfield) and the operation and maintenance phase (Brownfield). Today, HOCHTIEF is a leader in developed markets, and is involved in the entire value chain of the infrastructure sector. This diversification

both in terms of activities and markets gives HOCHTIEF a balanced business profile with regard to cash flow visibility, capital intensity and margins.

HOCHTIEF's strategy is to further strengthen its position in its core geographical areas, focusing on the growth opportunities offered by the market, as well as investing in assets that offer strategic growth opportunities for the company, thereby creating sustainable value for all stakeholders.

On 23 February 2022, HOCHTIEF, as the majority shareholder of CIMIC with a 78.58% interest, announced its intent to carry out an off-market takeover bid, which would be unconditional and final, to acquire the remaining shares of CIMIC for AUD 22 per share.

**SALES**  
**21,378**

MILLION EURO

**BACKLOG**  
**51,916**

MILLION EURO

**ORDINARY NET  
PROFIT**  
**402**

MILLION EURO

**CONTRIBUTION TO ACS'  
ORDINARY NET PROFIT**  
**210**

MILLION EURO



## HOCHTIEF AMERICAS

The HOCHTIEF companies in America primarily focus on the areas of building and transportation infrastructure development. The main companies of HOCHTIEF Americas are Turner, Clark Builders, Flatiron and E.E. Cruz.

Turner, a New York-based company, is a market leader with 118 years of experience in the development of building projects.

In 2021, Turner was once again named by Engineering News-Record (ENR) as the leading contractor in the United States and in Green Building, in addition to leading the ranking in other building segments, thanks to its focus on developing efficient, high-quality projects based on innovation and implementing new technologies, such as Building Information Modeling (BIM).

Clark Builders focuses on the development of building projects, primarily in northern and western Canada — often in partnership with Turner —, including institutional,

commercial and healthcare projects along with sports facilities.

Flatiron, which is based out of Colorado and specialises in innovation solutions, focuses on transportation and infrastructure projects, including bridges, roads, railways/transit, airports, and water storage and treatment facilities. Flatiron is also regularly featured in ENR rankings, where it achieves leading positions in the categories of roads, bridges, transmission and distribution, dams and reservoirs.

E.E. Cruz is HOCHTIEF's subsidiary in New York and New Jersey.

|               |                   |
|---------------|-------------------|
| <b>SALES</b>  | <b>NET PROFIT</b> |
| <b>13,793</b> | <b>232</b>        |
| MILLION EURO  | MILLION EURO      |

## HOCHTIEF ASIA PACIFIC

The activities of the HOCHTIEF Asia Pacific division are carried out by CIMIC, a leader in construction engineering, mining, services and public-private partnership contracts.

The main companies through which CIMIC operates are: CPB Contractors, Sedgman, UGL, Pacific Partnerships and EIC Activities.

CIMIC also has a 50% interest in Thiess and a 32.8% interest in Ventia, a service company. Thiess is a subsidiary that provides mining services by developing and managing mining projects in Australia, Asia and the Americas.

CPB Contractors, which also includes Leighton Asia and Broad Construction, is a leading international construction contractor that carries out projects covering all key industry sectors, such as roads, railways, tunnels, defence, construction and infrastructure.

Sedgman is one of the market leaders in integrated solutions in the design, construction and operation of state-of-the-art

mineral processing plants and all infrastructure related to mining activities.

UGL offers services for critical assets in energy, water, renewable energy, telecommunications, resources, transport, defence and security, and social infrastructure.

Pacific Partnerships develops, invests in, and manages infrastructure concession assets for CIMIC, providing customers with end-to-end added-value infrastructure solutions through public-private partnership models.

EIC Activities is CIMIC's technical and engineering services business.

|              |                            |
|--------------|----------------------------|
| <b>SALES</b> | <b>ORDINARY NET PROFIT</b> |
| <b>6,137</b> | <b>147</b>                 |
| MILLION EURO | MILLION EURO               |

## HOCHTIEF EUROPE

HOCHTIEF Solutions AG is HOCHTIEF's operating company in Europe and focuses on construction activities and, in a complementary manner, on concessions, primarily in Germany, Poland, the Czech Republic, Austria, the United Kingdom, the Netherlands and in Scandinavian countries.

In Europe, HOCHTIEF focuses on the transportation infrastructure, energy, and social/urban infrastructure markets.

The companies operating in the HOCHTIEF Europe division offer a wide range of services through HOCHTIEF Infrastructure, which is responsible for the construction business, while HOCHTIEF PPP Solutions is involved in project development through public-private partnership (PPP)

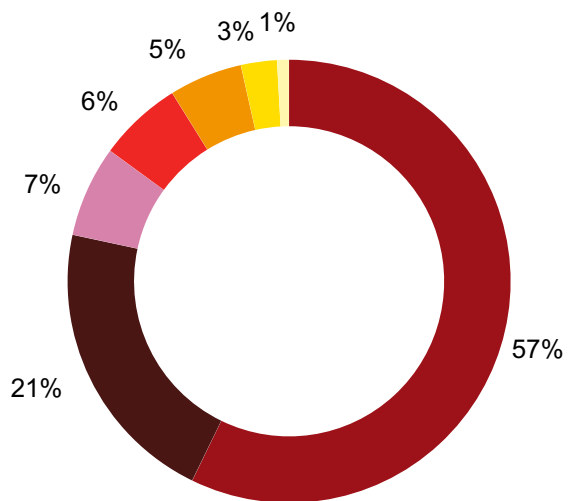
models in collaboration with other HOCHTIEF subsidiaries.

It also has HOCHTIEF Engineering, which is not only a provider of sophisticated engineering services, but through HOCHTIEF ViCon is also one of the leading providers of services in the field of virtual construction and Building Information Modeling (BIM).

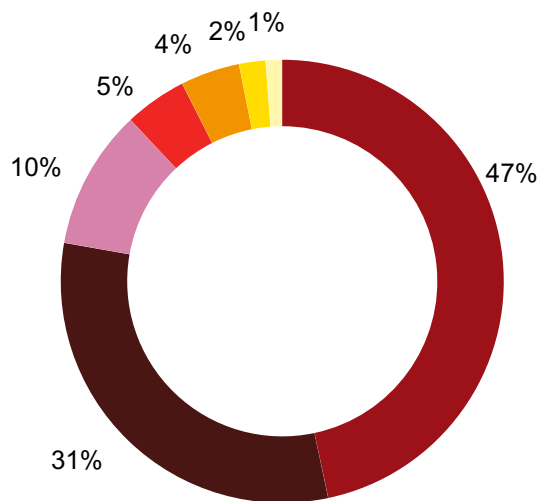
|              |                   |
|--------------|-------------------|
| <b>SALES</b> | <b>NET PROFIT</b> |
| <b>1,309</b> | <b>30</b>         |
| MILLION EURO | MILLION EURO      |

# CONSTRUCTION ACTIVITY OF THE ACS GROUP IN 2021

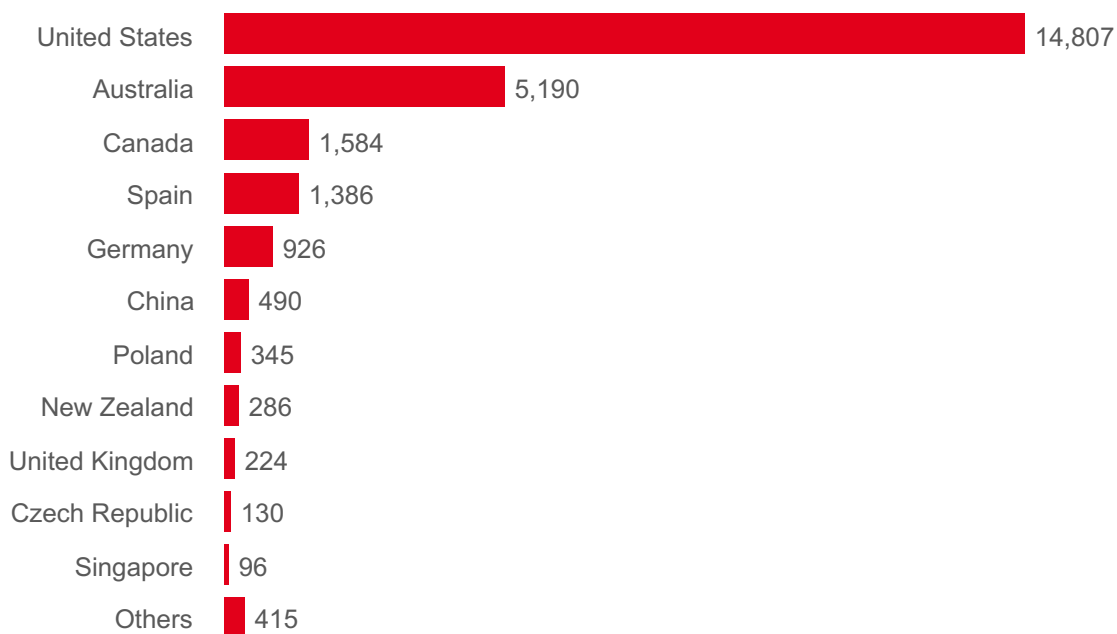
## SALES PER GEOGRAPHICAL AREAS
























## BACKLOG PER GEOGRAPHICAL AREAS



## SALES BREAKDOWN BY COUNTRIES (EURO MN)



## MAIN WORKS AWARDED IN 2021

|  | VALUE<br>MILLION EURO |
|--|-----------------------|
| <b>1 Asia Pacific</b><br> Construction and operations phase (to 2051) of three-lane twin tunnels of the North East Link Primary Package toll road in Melbourne (Australia)                            | <b>2,466</b>          |
| <b>2 Asia Pacific</b><br> Development of stage 1 of Sydney's M6 motorway in New South Wales (Australia)   | <b>1,234</b>          |
| <b>3 Asia Pacific</b><br> CopperString 2.0 project, a high-voltage transmission network in Queensland extending from Townsville in the east to Mount Isa in the west (Australia)                      | <b>1,092</b>          |
| <b>4 Asia Pacific</b><br> 10-year operation and maintenance contract for the infrastructure of the country's regional network awarded to UGL in New South Wales (Australia)                           | <b>957</b>            |
| <b>5 Asia Pacific</b><br> Design and construction of 9.8 kilometres of twin tunnels and excavations for several stations of Sydney Metro - Western Sydney Airport Station Boxes in Sydney (Australia) | <b>857</b>            |
| <b>6 Asia Pacific</b><br> Contract for the Across Government Facilities Management Arrangement (AGFMA) government-owned facilities by the Government of South Australia (Australia)                   | <b>525</b>            |
| <b>7 Asia Pacific</b><br> Contract to upgrade the Warringah Highway for the Government of New South Wales (Australia)   | <b>500</b>            |
| <b>8 Asia Pacific</b><br> Contract for the operations of the Auckland passenger rail network in New Zealand   | <b>354</b>            |
| <b>9 Asia Pacific</b><br> Long-term major maintenance contract with Chevron Australia for 10 years of work in the Pilbara region (Australia)   | <b>316</b>            |
| <b>10 Europe</b><br> Design and Construction of the new station to be established in Curzon Street to connect the new High Speed line 2 in Birmingham (United Kingdom)                              | <b>313</b>            |
| <b>11 United States</b><br> Preconstruction consultancy services for the \$365 million Yale Physical Sciences and Engineering Building in New Haven (United States)                                 | <b>306</b>            |
| <b>12 United States</b><br> Widening and rehabilitation of I-95 for the North Carolina Department of Transportation (NCDOT) near Lumberton, North Carolina (United States)                          | <b>243</b>            |
| <b>13 Asia Pacific</b><br> Construction of the new 39-storey premium commercial development above the north entrance to Sydney's Pitt Street subway station (Australia)                             | <b>237</b>            |
| <b>14 United States</b><br> Contract for lane widening from the I-10/I-17 split to US 60, and from US 60 to south of Ray Road in Arizona (United States)  | <b>203</b>            |
| <b>15 Asia Pacific</b><br> Duplication works on the Main South Road and the Victor Harbor Road (Australia)  | <b>196</b>            |
| <b>16 Canada</b><br> Design and construction of a 9.2 km extension of the Eglinton Crosstown Light rail transit in Ontario, Toronto (Canada)  | <b>194</b>            |
| <b>17 Asia Pacific</b><br> Bruce Highway Upgrade project in Queensland (Australia)  | <b>188</b>            |
| <b>18 Asia Pacific</b><br> Design, manufacture and supply of new fuel-efficient diesel electric locomotives for Pacific National (Australia)  | <b>186</b>            |
| <b>19 Asia Pacific</b><br> Contract for civil and pavement works for the airside of the Western Sydney International Airport (Nancy-Bird Walton) (Australia)  | <b>165</b>            |
| <b>20 United States</b><br> Widening of SR 429 from south of the Florida's Turnpike to West Road from four general use lanes to six general use lanes in Florida (United States)                    | <b>154</b>            |
| <b>21 United States</b><br> Design and construction contract of an 11-mile corridor on I-10 highway in Arizona (United States)  | <b>152</b>            |

## EUROPE



## AMERICA



## ASIA-PACIFIC



CIVIL WORKS   
 BUILDING   
 SERVICES 

## FEATURED PROJECTS

### WELLSBURG BRIDGE

#### CLIENT

WEST VIRGINIA DEPARTMENT OF TRANSPORTATION

#### PROJECT EXECUTION DATES

APRIL 2018- OCTOBER 2022

#### LOCATION

BRILLIANT (OHIO)/ WELLSBURG (VIRGINIA OCCIDENTAL), USA

#### AMOUNT (M EUR)

EUR 131 million

#### COMPANIES INVOLVED IN THE PROJECT

FLATIRON CONSTRUCTION CORP.

Awarded in 2016, the Wellsburg Bridge — for a value of USD 131 million — is Flatiron's first project in the state and West Virginia's first alternative delivery project.

Separated by the Ohio River, the residents of Brilliant (Ohio) and Wellsburg (West Virginia) must travel eight miles north or thirteen miles south to reach the nearest river crossing points. In addition, due to projected traffic volume and the need for a safe and reliable stretch for business and emergency services, the West Virginia Department of Transportation (WVDOT) sought proposals to build a new bridge to improve transportation infrastructure and to enhance regional business growth.

Flatiron submitted its qualifications in March 2016 and WVDOT awarded the contract to Flatiron that same year. Flatiron also provided a unique alternative delivery method.

Construction began in April 2018.

As part of the alternative delivery method, Flatiron proposed to construct a main span of the tied-arch bridge that would be built off-site, upstream, and delivered by barge to the project site for installation. Flatiron has been working on the project with various partners, including RS&H, TRC Engineers and COWI North America.

When completed, the bridge will connect Route 2 in West Virginia, near Wellsburg, to Route 7 in Brilliant, Ohio, providing a key and safe artery for the communities of northern West Virginia and eastern Ohio. Funding for the project was made possible through a public-private partnership (PPP) involving Flatiron, WVDOT, the Ohio Department of Transportation, as well as federal highway funds.



## BIRMINGHAM CURZON STREET STATION

### CLIENT

HIGH SPEED TWO LIMITED

### PROJECT EXECUTION DATES

PHASE 1: MAY 2018- JAN 2022

PHASE 2: APR 2022- NOV 2029

### LOCATION

BIRMINGHAM, UNITED KINGDOM

### AMOUNT

EUR 535,8 million

### COMPANIES INVOLVED IN THE PROJECT

DRAGADOS UK

MACE LTD

This project is part of the HS2 Phase One programme, which includes the construction of four new stations at Euston (central London), Old Oak Common (West London), Birmingham Interchange station (next to the Birmingham Airport) and the National Exhibition Centre (NEC) and the Birmingham Curzon Street railway station. The station will also link to the West Coast Main Line (WCML) near Handsacre, allowing compatible connections with conventional services to the North for phase two of HS2.

Curzon Street is located in Birmingham's Eastside district on the outskirts of the city and will be the transport interchange linking the HS2 high-speed rail network, Moor Street station, the West Midlands Metro tram and the region's future bus network.

The project is divided into two phases: Phase One and Phase Two. The scope of the first stage comprises 76 documents and plans, which are to be

prepared for HS2 in four deliverables (Gate 1 to Gate 4). These documents include the Phase Two Target Price and Technical Planning, which once approved will form part of the Phase Two Terms of Contract.

Phase Two includes the design, construction and commissioning of the high-speed rail station, with the exception of the railway systems, which must be integrated with the rest of the station elements.

The station is designed to comply with the 'BREEAM excellent' standard, the criteria for which depends on the ability to reduce the use of energy and materials and their impact on the environment. These requirements include a neutral carbon footprint target and the use of sustainable technologies, including rainwater harvesting for cleaning services and the use of more than 2,800 m<sup>2</sup> of solar panels located on the platform's awnings.





## EGLINTON CROSSTOWN LIGHT RAIL

### CLIENT

METROLINX

### PROJECT EXECUTION

#### DATES

JULY 2015 - OCTOBER 2022

### LOCATION

TORONTO, CANADA

### AMOUNT

EUR 3,990 million

### COMPANIES INVOLVED IN THE PROJECT

DRAGADOS CANADA (25%)

SNC LAVALIN (25%)

AECON (25%)

ELLISDON (25%)

The Eglinton Crosstown LRT is an important part of Metrolinx's regional transportation plan, "The Big Move". The project connects the east and west ends of Eglinton Avenue using the new rapid transit line and existing transit facilities. The project has been carried out using the AFP/P3 method. A value-for-money assessment conducted by Ernst & Young for the project estimated a risk-adjusted cost saving of approximately 22% for contracting through the AFP model versus a traditional delivery approach.

The scope of the project includes:

- 19 km of LRT line, with 25 stations and stops (15 underground stations, 10 ground level stops).
- 10 km of the 19 km system is underground.
- Four bridge structures over two waterways and two roadways at ground level sections.
- The Eglinton Crosstown LRT (ECLRT) connects to three TTC operated subway stations, various GO Transit lines and local bus routes.
- GO Transit works: New GO Transit infrastructure at Mt. Dennis Station and at the Kennedy station; reconstruction and extension of an existing rail station serving

Stouffville; and all track work, including track materials, special track work on secondary tracks and GO Transit tracks, as necessary.

- 0.5 km of elevated rail guideway at the west end of the LRT line on Black Creek Drive
- Separation at the railway level (e.g. between Jane Street and Keelestone Park)
- The works are located in a dense urban area in the city of Toronto, which involves strategies for reducing noise, public interface and traffic management.
- Mitigation and protection of public utilities (e.g. water pipes, sanitary sewers, storm sewers, gas lines, fibre optic cables).
- Operations control centre, back-up operations control centre, maintenance and storage facility.
- 30 years of maintenance and refurbishment after completion of the works, including repair and renewal of the life cycle of materials at stations and stops, the rails, control systems and vehicles.

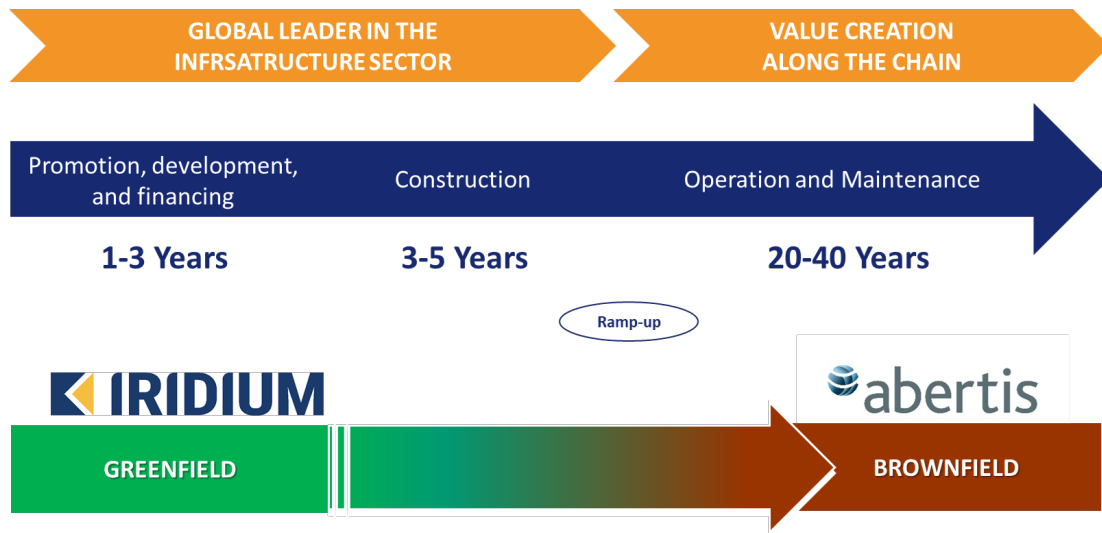


## 3.2. CONCESSIONS

### A WORLD LEADER

The ACS Group covers the entire value chain of the Concessions business, from the promotion, development and construction of “greenfield” infrastructures, through Iridium, to the “brownfield” part carried out through Abertis, a world leader in toll road management. The ACS Group is therefore positioned as one of the world leaders in the transport concessions industry, with greater integration of the value chain and the goal of being a key player in infrastructure management.

The ACS Group continues to focus its energy on international growth by seeking out new opportunities for asset acquisitions. More than 78% of Abertis’ revenue currently comes from outside Spain, with France, Italy, Brazil and Chile being particularly important, while Iridium is present in the Spanish market and has concessions in North America (United States and Canada), Ireland, the United Kingdom, Chile and Peru.



**SALES**  
**4,854**  
MILLION EURO

**NET PROFIT**  
**3,351**  
MILLION EURO

**CONTRIBUTION TO ACS' NET PROFIT**  
**117**  
MILLION EURO

 For more information:  
[www.abertis.com](http://www.abertis.com)

Abertis is one of the leading international operators in toll road management, in which the group has a 50% holding (30% direct and 20% indirect, through HOCHTIEF).

It has almost 8,000 kilometres of high-capacity, high-quality roads in 16 countries across Europe, America and Asia. Abertis is the leading national highway operator in countries such as Spain, Chile and Brazil, and also has a major presence in France, Italy, Mexico, the United States, Puerto Rico and Argentina.

Following the pandemic declared in March 2020, Abertis has begun to recover with average daily traffic growth of 21% compared to 2020, showing positive traffic trends at year-end with levels equal to or higher than 2019, backed by the resilience of heavy vehicles and the recovery of light vehicles.

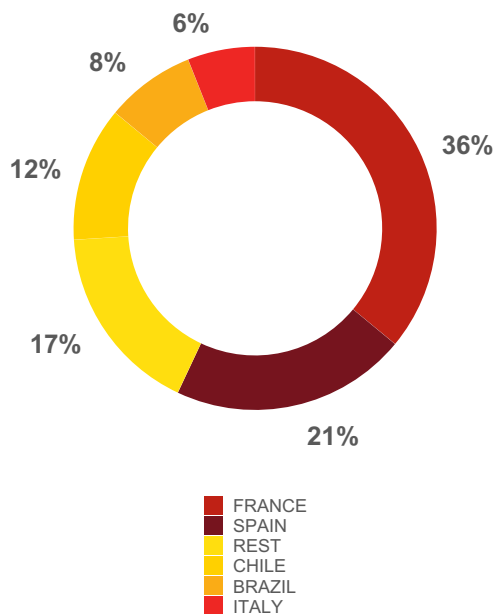
In October it signed an agreement with the Chilean government to extend the central highway concession for 20 months and, in return, to build a tunnel that will improve

mobility in one of the most congested areas of Santiago, with a planned investment of over EUR 300 million. In addition, an agreement was reached to sell the entire shareholding of Alienor (35%) and Sanef Aquitaine (100%) to Eiffage for a total of EUR 222 million.

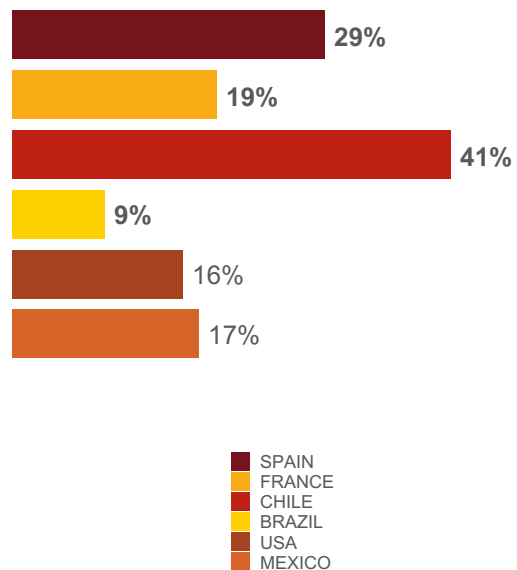
These two transactions, together with the disposal of Alis in 2020, are part of Abertis' strategy of divesting non-controlling interests to reinvest the proceeds in new projects to continue to replenish the Group's cash flow.

In addition, the incorporation of new highways with the acquisitions of Red de Carreteras de Occidente (RCO) in Mexico and Elizabeth River Crossings (ERC) in Hampton Roads, Virginia, in the US, have enabled Abertis to reach pre-pandemic levels for average daily traffic and revenue growth of EUR 4,854 million (+20%) and EBITDA of EUR 3,351 million (+28%). As a result, Abertis' contribution to the ACS Group's net profit in 2021 amounts to EUR 117 million compared to a loss of EUR 35 million in the previous year.

**EBITDA'S GEOGRAPHICAL DISTRIBUTION**



**TRAFFIC EVOLUTION IN THE MAIN REGIONS**



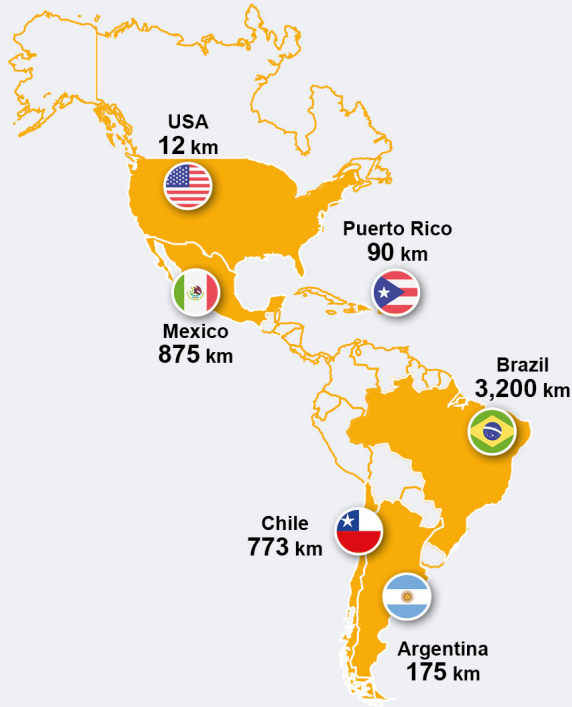
# WORLD BENCHMARK IN HIGHWAY MANAGEMENT

≈ **8.000** Km Managed

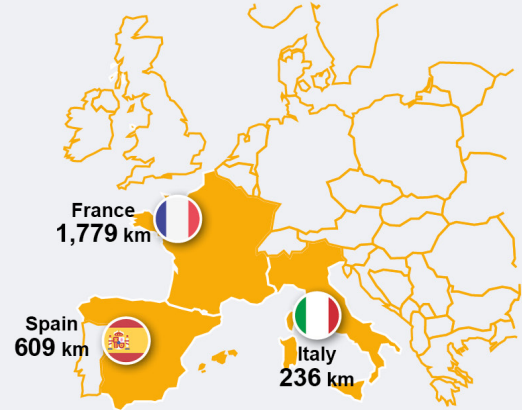
**+16** Countries



## AMERICA












## EUROPE



## ASIA-PACIFIC



## MAIN HIGHWAYS

-  Avasa | Aucat | Castellana | Aulesa
-  Via Paulista | Intervias | Red federal
-  Île de France
-  Túneles Hampton Roads
-  Autopista Panamericana
-  Los Libertadores | Autopista Central
-  A4 "La Serenissima" | A31 "Austostrada della Valdastico"
-  NH-45 Tamil Nadu | NH-44 Telangana
-  PR-5 | PR-22



**SALES**

**93**

MILLION EURO

**NET PROFIT**

**50**

MILLION EURO



For more information:  
Annex 7.4.2. Iridium  
concessions portfolio

IRIDIUM Concesiones de Infraestructuras is the ACS Group company that continues leading international activity in the infrastructure sector, primarily transportation. As such, holdings in around 50 concession projects, representing an aggregate investment of more than EUR 30,000 million, are managed through IRIDIUM, primarily involving roads and highways (46% of the investment and more than 700 km), and subways and railways (48% of this investment and about 300 km of track under management), of which around 83% is operational. Geographically, around 66% of this investment is located in the United States and Canada across 16 projects (10 highways and 6 railway/subway projects), while Europe accounts for more than 20% of this investment across 13 road and highway projects, 4 railway and subway projects, and 12 projects involving public services and facilities, hospitals, parking lots, transportation hubs, etc.

In 2021, the company continued to manage this portfolio, with the commissioning of certain projects, progress in the construction of others, refinancing, rotation of certain assets, and general management in the context of some degree of uncertainty in view of the developments in the health crisis caused by COVID-19 and

the consolidation of the recovery in 2021, with the following actions being of particular note:

- Successful commissioning of the Highway 427 project in Ontario (Canada).
- Full commissioning of Hospital de Toledo in Spain.
- Refinancing of the Lima Metro Line 2 project (Peru).
- Financing of additional work for the Eje Diagonal project (Spain).
- Additional financing for the Barcelona Metro Line 9 Section 2 project.
- Financing of the DBF project, Advance Tunnel for Eglinton Crosstown West Extension in Canada, with ACS Infraestructuras acting as financial advisor.
- Partial divestment in the Nuevo Hospital de Toledo project (Spain) by both the concession operator and the operating company.
- Sale of 100% holding in the concession operator SPER (Portugal).

## CONCESSIONS BACKLOG

**CONCESSIONS**

**48**

95% OPERATIONS /  
5% CONSTRUCTION (FOR  
COMMITTED INVESTMENT)

**TOTAL INVESTMENT  
MANAGED**

**31,487**

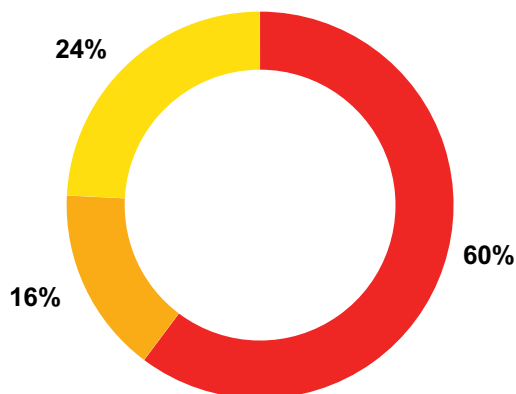
MILLION EURO

**COMMITTED EQUITY**

**545**

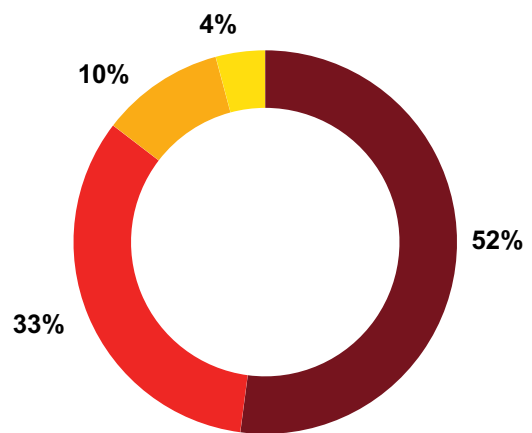
MILLION EURO

**COMMITTED EQUITY BY  
TYPOLOGY**



■ HIGHWAYS  
■ RAILWAYS  
■ SOCIAL/ OTHERS

**COMMITTED EQUITY BY  
GEOGRAPHY**



■ SPAIN  
■ NORTH AMERICA  
■ REST OF EUROPE  
■ LATAM

## H427 EXPANSION PROJECT

### CLIENT

ONTARIO MINISTRY OF TRANSPORTATION (MTO) E  
INFRASTRUCTURE ONTARIO (IO)

### PROJECT EXECUTION

#### DATES

CONSTRUCTION: 2017 - 2021

EXPLOITATION: 2021 - 2050

### LOCATION

TORONTO, ONTARIO, CANADA

### COMPANIES INVOLVED IN THE PROJECT

LINK427 GENERAL PARTNERSHIP:  
ACS INFRASTRUCTURE CANADA (50%)  
BRENNAN (50%)

Major Design Build Finance Operate Maintain (DBFOM) project for the 10.6 km extension and widening of Highway 427, serving York Region and the City of Vaughan outside Toronto. The project is a critical link in the south-central Ontario transportation network.

#### Key elements:

- Construction of a new eight lane extension of the highway over 6.6 km.
- Widening of existing Highway 427 from four to eight lanes over 4 km.
- 19 structures, including 13 new structures for mainline crossings, 2 rail overpass crossings, and 4 structures over water.
- Rehabilitation of 12 existing structures.
- Grading, excavation and surfacing works.
- Widening and realignment of ramps (Hwy 7, Finch Ave., Albion Road, Steeles Ave., Rutherford Rd., Langstaff Ave.)
- Utilities relocation and protection, retaining walls, temporary works, electrical systems and landscaping.

### AWARDS RECEIVED:

- Highway 427 Expansion Project
- Silver award - Best Transport Project, 2017
- P3 Awards
- P3 Bulletin



### 3.3. SERVICES



#### ESSENTIAL, PROFESSIONAL AND HIGH-QUALITY SERVICES

Clece is one of Spain's leading multi-services companies with nearly 30 years of experience carrying out activities in the main sectors: services for buildings, services for the environment and services for people. Over the last few years, Clece has continued to successfully develop a multi-services business model that responds to the needs of people and organisations.

Clece's business model, which is diversified and constantly evolving, contributes to the company's solid growth at both operational and geographical level. At the same time, the company has developed and innovated in business lines that integrate well into this model and create synergies, with a focus on service management. This has made it a leading service provider with a presence in Spain, Portugal and the United Kingdom.

In 2021 Clece performed excellently on a global level, with 5.7% growth over the revenue for last year. This path of growth has continued across all its activities, with a notable increase in cleaning services.

There has also been strong growth in international markets, where the business has been consolidated. In 2021, the British subsidiary Clece Care Services acquired Perfect Care and Starcare, companies that specialise in caring for dependent individuals, as a result of which it is able to assist 8,500 users from 80 locations throughout the United Kingdom thanks to the work of its more than 4,500 professionals.

The Spanish market is still showing signs of budgetary adjustment, but there is a gradual shift towards tenders that are less focused on the price factor and where the quality of services is the differentiating factor. In international markets, where its penetration is much lower, Clece has achieved very significant growth, reaching 18% in 2021.

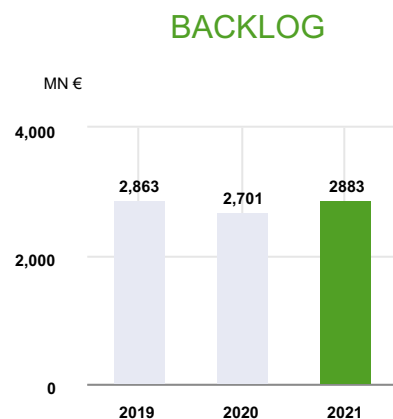
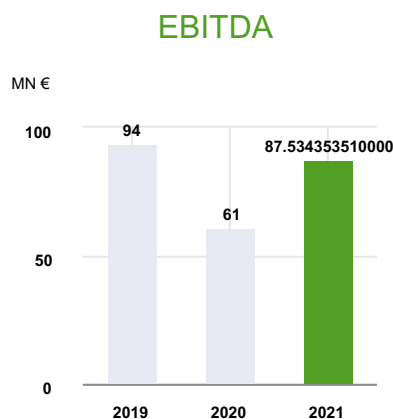
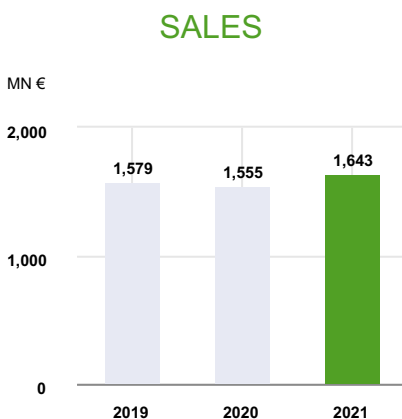
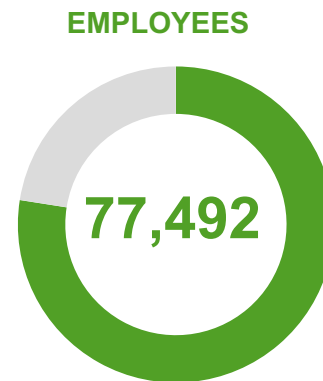
In Spain, Clece's customer portfolio has continued along the same lines as last year, with 80% of activity in the public sector and 20% for private customers. In 2021, the main growth driver came from the public sector, which rose by 4.7%, while private sector turnover increased by 7.5%.

**SALES**  
**1,643**  
MILLION EURO

**EBITDA**  
**88**  
MILLION EURO

**BACKLOG**  
**2,883**  
MILLION EURO

**ORDINARY NET PROFIT**  
**29**  
MILLION EURO



**11.9%**  
OF EMPLOYEES BELONG TO VULNERABLE GROUPS

**80%**  
PUBLIC SECTOR

**20%**  
PRIVATE CLIENT

**21%**  
INTERNATIONAL MARKET GROWTH

## SERVICES FOR PEOPLE

These cover the assistance needs and resources for certain groups, such as the elderly, dependent individuals, persons with disabilities or children from ages 0 to 3. These services include elderly care, management of nursery schools or social food programmes.

## SERVICES FOR BUILDINGS

These include services that are necessary for optimal operation of any property, such as maintenance, energy efficiency, cleaning, security, logistics and ancillary services.

## SERVICES FOR THE CITY AND SURROUNDING AREA

These include activities aimed at the conservation and care of public spaces, such as the management of public lighting, including investment in replacing light fixtures, environmental services and airport services.

By business area, people-focused services increased by 2.23% in 2021, driven mainly by penetration in new international markets, which grew by more than 20%.

It should be noted that in 2021 Clece continued its project to manage private residences in both Spain and Portugal under the CleceVitam brand, which began in 2017. Clece had a total of 19 centres of this type by the end of 2021 and continues to work towards launching a further 7 new CleceVitam residences in 2022.

Services for buildings was once again the company's growth driver in 2021, with turnover 6.9% higher than in the previous year. This area of activity represents 59% of the company's revenue. The trend in the market with regard to tenders continues to change, so that the weight of the economic offer is decreasing and the criteria regarding quality of service is gradually increasing. For Clece, the quality of the services it provides is essential.

Lastly, services for the city and surrounding area account for the smallest volume, representing 5.6% of Clece's turnover.

People continue to be the main focus of Clece, its core value. By 2021 its workforce reached 77,492 employees. And in line with its commitment to the needs of society, Clece's work inclusion policy provides professional development opportunities for more than 9,300 people from disadvantaged groups (people with functional diversity, women that are victims of gender violence, people at risk of social exclusion and unemployed young people).

Along the same line of creating social value, Clece included the Professional Activity Support Unit so that it is part of the company to demonstrate the company's firm commitment to real and stable inclusion. The Support Unit is a body that provides direct professional assistance and offers new employees comprehensive and holistic support.

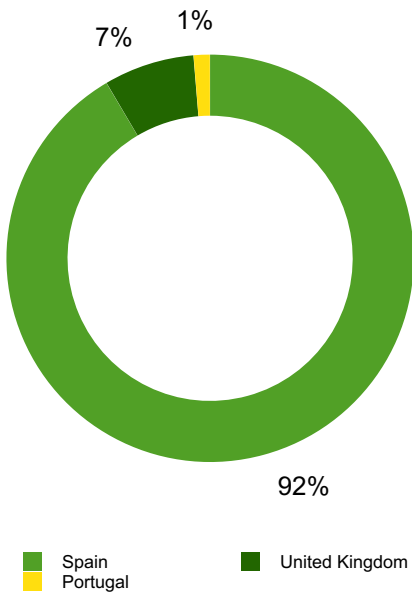
As proof of this strong social commitment, in 2021 Clece received the SR 10 Corporate Social Responsibility Standard certificate for consolidating the objectives of this standard, 35% of which are related to the inclusion of vulnerable groups.



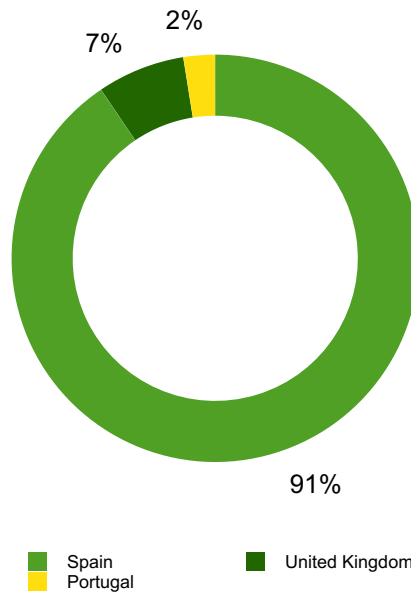



## SERVICES ACTIVITY OF THE ACS GROUP IN 2021

### SALES BY GEOGRAPHICAL AREAS



### BACKLOG BY GEOGRAPHICAL AREAS

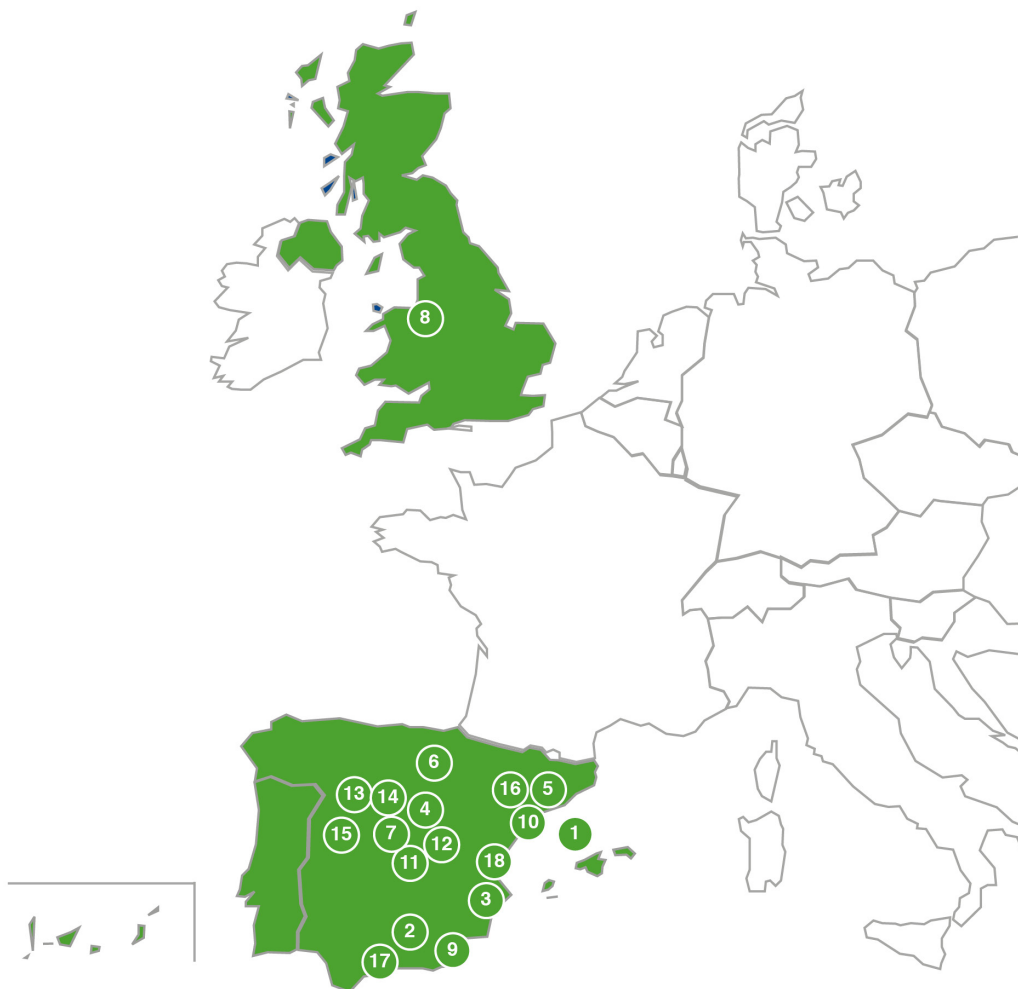




 [For more information: 4.7. Services](#)



## MAIN PROJECTS AWARDED

| Project Number | Country        | Icon                 | Description   | Value (Million Euro) |
|----------------|----------------|----------------------|---|----------------------|
| 1              | Spain          | Services to Citizens | New service contract for people with reduced mobility in Madrid and Andalusia and renewal of the service in Catalonia and the Balearic Islands (Spain)              | 161                  |
| 2              | Spain          | Services to Citizens | Renewal of lots 1 and 3 of the home help service for the Jaen Provincial Council (Spain)  | 113                  |
| 3              | Spain          | Facility Management  | Renewal and re-awarding of the cleaning service for the health departments of the Conselleria de Sanidad de la Generalitat Valenciana (Spain)                       | 63                   |
| 4              | Spain          | Facility Management  | Extension of the building cleaning service of the "Comisión para la Reforma de las Administraciones Públicas" (CORA) (Spain)  | 50                   |
| 5              | Spain          | Facility Management  | Renewal of the cleaning service for the Hospital Universitari Vall d'Hebron, Vall d'Hebron Oncology Institute and Diagnostic Imaging Institute in Catalonia (Spain) | 40                   |
| 6              | Spain          | Facility Management  | Renewal of the preventive and corrective maintenance service, etc., of the existing installations of the buildings of Banco Santander (Spain)                       | 32                   |
| 7              | Spain          | Facility Management  | New contracting of lots B and C and renewal of lot D of the depot cleaning service of the Madrid Metro (Spain)  | 31                   |
| 8              | United Kingdom | Services to Citizens | Acquisition of Star Care, a home care services company in Chester (United Kingdom)  | 30                   |
| 9              | Spain          | Services to Citizens | Renewal of lots 1, 2 and 3 of the home help service of the Almeria Provincial Council, Northern area (Spain)  | 28                   |
| 10             | Spain          | Facility Management  | Renewal of lot 5 of the cleaning service for the stations of line 5 of Metro de Barcelona (Spain)   | 26                   |
| 11             | Spain          | Facility Management  | Renewal of lots 1, 4 and 6 of the cleaning and disinfection service for the National Police General Directorate buildings (Spain)                                   | 22                   |
| 12             | Spain          | Facility Management  | Extension of Iberia's aircraft cleaning service at national airports (Spain)  | 22                   |
| 13             | Spain          | Services to Citizens | New contract for lot 1 of the home help and respite service of the Valladolid Provincial Council (Spain)  | 18                   |
| 14             | Spain          | Facility Management  | Renewal of the cleaning service for Renault's factories in Valladolid (Spain)   | 18                   |
| 15             | Spain          | Services to Citizens | New contracting of the home help service in the Avila Provincial Council (Spain)  | 17                   |
| 16             | Spain          | Facility Management  | New contract for lots 3 and 4 for refueling, vacuuming, cleaning and disinfection of the Barcelona bus fleet in Triangle, Zona Franca and Ponent (Spain)            | 16                   |
| 17             | Spain          | Services to Citizens | Extension of the Malaga Provincial Council's home-help service (Spain)  | 16                   |
| 18             | Spain          | Facility Management  | Extension of 15 lots for the surveillance and security service of the Valencia Health Department, Spain   | 14                   |



-  SERVICES TO CITIZENS
-  FACILITY MANAGEMENT

## CLECE, A BENCHMARK IN SOCIAL SERVICES IN THE UNITED KINGDOM

### LOCATION

UNITED KINGDOM

### CONTRACT TYPE

SERVICES FOR PEOPLE

### COMPANIES INVOLVED IN THE PROJECT

CLECE  
CLECE CARE SERVICES

Clece has been providing care services to dependent individuals in the UK through Clece Care Services since 2013. This subsidiary is made up of a group of 16 local companies and has a staff of more than 4,500 professionals committed to the care and well-being of more than 8,500 users.

In 2021 the subsidiary experienced significant growth, increasing the volume of its backlog by 46.3% compared to the previous year, reaching GBP 173.54 million. This progression strengthens the company's position in the social services sector in the UK, where it has consolidated its position as the third largest operator in the market over a short period of time.

The growth experienced was mainly due to three factors:

- Success in public tenders. Clece's companies in the United Kingdom were awarded 17 contracts, some of them new and others the result of renewals. Some of the most notable awards are the management of day centres in Oxfordshire; home care and support services in Lincolnshire, Liverpool and North Lanarkshire; and extra care services in Redcar & Cleveland and Derby.

The confidence shown by Clece Care Services' own customers should be noted, some of which have decided to extend their existing contracts, as in the case of the home care and support service in Edinburgh and Buckinghamshire.

Strategic acquisition of companies. The acquisitions in 2021 most notably include that of Starcare and Perfect Care, located in the Chester and Durham areas, respectively, where Clece is positioned as the leading care company for dependent individuals at a regional level.

Growth of existing services. This growth has taken place organically thanks to the increase in contracted hours, as a result of a recruitment policy and employee loyalty that, in turn, has allowed the company to increase its capacity with regard to the services it was already providing.



For more information:  
[www.grupoacs.com/activities/services/](http://www.grupoacs.com/activities/services/)

## 4. FINANCIAL MANAGEMENT IN 2021

- 4.1. INCOME STATEMENT
- 4.2. BALANCE SHEET
- 4.3. NET CASH FLOWS
- 4.4. RISKS AND UNCERTAINTIES
- 4.5. INFRASTRUCTURE
- 4.6. INDUSTRIAL SERVICES
- 4.7. SERVICES





## 4.1. INCOME STATEMENT

**NOTE:** To facilitate year-on-year comparisons, the income statement presented in this report have been subject to restatement, adjustment and reclassification for items considered to be extraordinary and non-recurring. More specifically:

1. The Industrial Services business was restated as a discontinued operation in 2020, as a result of the sale of the Industrial Services area at the end of 2021.
2. Thiess (CIMIC) was reclassified as having been accounted for using the equity method in 2020, eliminating 50% of its contribution following its sale at year-end and accounting for the remaining 50% using the equity method in 2021.
3. The various items of the income statement have been adjusted for impacts considered to be extraordinary in both periods.

| EURO MILLION   | 2020          |               | 2021          |                | Var.           |
|--|---------------|---------------|---------------|----------------|----------------|
| <b>Net Sales</b>                                     | <b>27,853</b> | <b>100.0%</b> | <b>27,837</b> | <b>100.0 %</b> | <b>-0.1%</b>   |
| Other revenues                                       | 344           | 1.2%          | 106           | 0.4%           | -69.4%         |
| <b>Total Income</b>                                  | <b>28,198</b> | <b>101.2%</b> | <b>27,942</b> | <b>100.4%</b>  | <b>-0.9%</b>   |
| Operating expenses                                   | (20,346)      | (73.0%)       | (20,378)      | (73.2%)        | +0.2%          |
| Personnel expenses                                   | (6,777)       | (24.3%)       | (6,239)       | (22.4%)        | -7.9%          |
| Operating Results from Equity Method                 | 310           | 1.1%          | 273           | 1.0%           | -12.0%         |
| <b>Operating Cash Flow (EBITDA)</b>                  | <b>1,384</b>  | <b>5.0%</b>   | <b>1,598</b>  | <b>5.7%</b>    | <b>+15.5%</b>  |
| Fixed assets depreciation                            | (456)         | (1.6%)        | (479)         | (1.7%)         | +5.1%          |
| Current assets provisions                            | 14            | 0.0%          | (34)          | (0.1%)         | n.a            |
| <b>Ordinary Operating Profit (EBIT)</b>              | <b>941</b>    | <b>3.4%</b>   | <b>1,084</b>  | <b>3.9%</b>    | <b>+15.2%</b>  |
| Impairment & gains on fixed assets                   | (53)          | (0.2%)        | (19)          | (0.1%)         | -63.4%         |
| Other operating results                              | (16)          | (0.1%)        | (40)          | (0.1%)         | n.a            |
| <b>Operating Profit</b>                              | <b>873</b>    | <b>3.1%</b>   | <b>1,025</b>  | <b>3.7%</b>    | <b>+17.4%</b>  |
| Financial income                                     | 143           | 0.5%          | 103           | 0.4%           | -28.3%         |
| Financial expenses                                   | (360)         | (1.3%)        | (361)         | (1.3%)         | +0.4%          |
| <b>Ordinary Financial Result</b>                     | <b>(217)</b>  | <b>(0.8%)</b> | <b>(259)</b>  | <b>(0.9%)</b>  | <b>+19.4%</b>  |
| Foreign exchange results                             | (42)          | (0.2%)        | 17            | 0.1%           | n.a            |
| Changes in fair value for financial instruments      | 3             | 0.0%          | 2             | 0.0%           | -46.0%         |
| Impairment & gains on financial instruments          | 9             | 0.0%          | 14            | 0.1%           | +65.9%         |
| <b>Net Financial Result</b>                          | <b>(247)</b>  | <b>(0.9%)</b> | <b>(225)</b>  | <b>(0.8%)</b>  | <b>-8.9%</b>   |
| Non Operating Results from Equity Method             | 11            | 0.0%          | 1             | 0.0%           | -93.7%         |
| <b>PBT of continued operations</b>                   | <b>636</b>    | <b>2.3%</b>   | <b>800</b>    | <b>2.9%</b>    | <b>+25.8%</b>  |
| Corporate income tax                                 | (113)         | (0.4%)        | (195)         | (0.7%)         | +72.4%         |
| <b>Net profit of continued operations</b>            | <b>523</b>    | <b>1.9%</b>   | <b>605</b>    | <b>2.2%</b>    | <b>+15.7%</b>  |
| Profit after taxes of the discontinued operations    | 244           | 0.9%          | 379           | 1.4%           | +55.1%         |
| <b>Consolidated Result</b>                           | <b>767</b>    | <b>2.8%</b>   | <b>984</b>    | <b>3.5%</b>    | <b>+28.2%</b>  |
| Minority interest                                    | (225)         | (0.8%)        | (263)         | (0.9%)         | +17.1%         |
| <b>Ordinary Net Profit Attributable</b>              | <b>542</b>    | <b>1.9%</b>   | <b>720</b>    | <b>2.6%</b>    | <b>+32.9%</b>  |
| Extraordinary impacts & others (1)                   | 32            |               | 2,325         |                |                |
| <b>Net Profit Attributable to the Parent Company</b> | <b>574</b>    | <b>2.1%</b>   | <b>3,045</b>  | <b>2.6%</b>    | <b>+430.6%</b> |

(1) For further details, see annex 7.4.3



## SALES AND BACKLOG

Sales during the period amounted to EUR 27,837 million, virtually unchanged compared to 2020. In the main regions where the Group operates, production improved on a quarterly basis, with growth in the second half of the year at 8.8% compared to the first half, consolidating the trend towards recovery after the recession caused by Covid-19. In 2020, the revenue from Thies was mainly eliminated to

facilitate the comparability with that year. Without this effect, revenue would be EUR 29,305 million.

The breakdown of sales by geographical areas showed the diversification of the Group's sources of revenue, where North America represented 59% of total sales, Asia Pacific 22%, Europe 18%, of which Spain represented 11%, and the remaining regions 7%.

### SALES PER GEOGRAPHICAL AREAS

| EURO MILLION  | 2020*         |       | 2021          |       | Var.         |
|---------------|---------------|-------|---------------|-------|--------------|
| Europe        | 4,721         | 16.9% | 4,885         | 17.5% | +3.5%        |
| North America | 17,349        | 62.3% | 16,522        | 59.4% | -4.8%        |
| South America | 280           | 1.0%  | 257           | 0.9%  | -8.4%        |
| Asia Pacific  | 5,503         | 19.8% | 6,174         | 22.2% | +12.2%       |
| Africa        | 0             | —%    | -1            | —%    | -356.2%      |
| <b>TOTAL</b>  | <b>27,853</b> |       | <b>27,837</b> |       | <b>-0.1%</b> |

### SALES PER COUNTRIES

| EURO MILLION | 2020*         |       | 2021          |       | Var.         |
|--------------|---------------|-------|---------------|-------|--------------|
| USA          | 15,687        | 56.3% | 14,824        | 53.3% | -5.5%        |
| Australia    | 3,732         | 13.4% | 5,190         | 18.6% | +39.1%       |
| Spain        | 2,883         | 10.4% | 2,988         | 10.7% | +3.6%        |
| Canada       | 1,627         | 5.8%  | 1,602         | 5.8%  | -1.5%        |
| Germany      | 857           | 3.1%  | 926           | 3.3%  | +8.0%        |
| RoW          | 3,067         | 11.0% | 2,308         | 8.3%  | -24.8%       |
| <b>TOTAL</b> | <b>27,853</b> |       | <b>27,837</b> |       | <b>-0.1%</b> |

\*Ordinary pro forma: Not including (a) Thies, accounting for 50% of its contribution as Operating Equity Method (b) the impact from Gorgon (CIMIC) nor (c) Industrial Services, restated as a discontinued operation. See annex 7.4.3

North America is affected by the depreciation of the US dollar. Excluding the impact of the exchange rate, sales in the region remained stable compared to the previous year. However, the quarterly performance in the US confirms the recovery of the market with a particularly strong second half of the year (+4.9% in local currency compared to the first half of the year).

Asia Pacific grew by 12.2% in sales, mainly driven by the Australian market, which consolidated its recovery with a 9.8% growth in local currency. Production in Europe also

continues to recover after the successive waves of the pandemic with growth of 3.5% on the comparable period.

The backlog at December 2021 stood at EUR 67,262 million, up 11.3% on the previous year, with good performance in the main regions where the Group operates. Adjusted for the exchange rate, the backlog grew by 6.2% to pre-pandemic highs. This growth is underpinned by the momentum of new project awards, which exceeded EUR 36,471 million, up 41.2% on the same period of 2020.

## BACKLOG PER GEOGRAPHICAL AREAS

| EURO MILLION  | Dec-20*       |       | Dec-21        |       | Var.          |
|---------------|---------------|-------|---------------|-------|---------------|
| Europe        | 11,025        | 18.2% | 12,226        | 18.2% | +10.9%        |
| North America | 29,623        | 49.0% | 32,996        | 49.1% | +11.4%        |
| South America | 856           | 1.4%  | 763           | 1.1%  | -10.8%        |
| Asia Pacific  | 18,921        | 31.3% | 21,277        | 31.6% | +12.5%        |
| <b>TOTAL</b>  | <b>60,425</b> |       | <b>67,262</b> |       | <b>+11.3%</b> |

## BACKLOG BY COUNTRIES

| EURO MILLION | Dec-20*       |       | Dec-21        |       | Var.          |
|--------------|---------------|-------|---------------|-------|---------------|
| USA          | 26,623        | 44.1% | 30,049        | 44.7% | +12.9%        |
| Australia    | 17,565        | 29.1% | 20,035        | 29.8% | +14.1%        |
| Spain        | 4,811         | 8.0%  | 5,388         | 8.0%  | +12.0%        |
| Canada       | 2,987         | 4.9%  | 2,936         | 4.4%  | -1.7%         |
| Germany      | 3,009         | 5.0%  | 2,926         | 4.3%  | -2.8%         |
| RoW          | 5,430         | 9.0%  | 5,927         | 8.8%  | +9.2%         |
| <b>TOTAL</b> | <b>60,425</b> |       | <b>67,262</b> |       | <b>+11.3%</b> |

\*Pro forma: eliminating the industrial backlog and including only 50% of the Thiess backlog to make it comparable to the current period.

Australia's backlog increased by 12.0% in local currency, underpinned by the entry of new large projects during the period, most notably including the North East Link concession in Melbourne and the M6 highway in Sydney, as well as major rail and energy facility development and maintenance projects.

Furthermore, the US backlog continued to be strong at EUR 30,049 million at the end of December, up 4.2% in

local currency, underpinned by more than EUR 16,000 million in awards during the period.

The recovery of the backlog in Spain is also noteworthy, with growth of 12.0% thanks to the award of new projects in both civil construction and building. Similarly, the rest of Europe grew by 10.0% thanks to incentives for procurement activities in the various countries in the region.







## OPERATING RESULTS

| OPERATING RESULTS          |              |              |               |
|----------------------------|--------------|--------------|---------------|
| EURO MILLION               | 2020*        | 2021         | Var.          |
| <b>EBITDA</b>              | <b>1,384</b> | <b>1,598</b> | <b>+15.5%</b> |
| <i>EBITDA Margin</i>       | 5.0%         | 5.7%         |               |
| Depreciation               | (456)        | (479)        | +5.1%         |
| <i>Infrastructures</i>     | (415)        | (437)        |               |
| <i>Industrial Services</i> | (2)          | (1)          |               |
| <i>Services</i>            | (39)         | (41)         |               |
| <i>Corporation</i>         | (1)          | 0            |               |
| Current assets provisions  | 14           | (34)         | n.a           |
| <b>EBIT</b>                | <b>941</b>   | <b>1,084</b> | <b>+15.2%</b> |
| <i>EBIT Margin</i>         | 3.4%         | 3.9%         |               |

\*Pro forma comparable period: Includes 50% of Thiess' contribution as Operating Equity Method. Does not include Industrial Services, restated as discontinued operations nor other negative impacts in Australia. See annex 7.4.3

Gross profit from operations (EBITDA) reached EUR 1,598 million, up 15.5% on the comparable period. The sales margin increased by 80 bp mainly due to the recovery of Abertis' contribution, and underpinned by improvements in operating efficiency, mainly at CIMIC, as well as the recovery of Clece's profitability to pre-pandemic levels.

Profit from operations (EBIT) stood at EUR 1,084 million, up 15.2% on the previous year, with an increase of 50 bp in the sales margin.

## MAIN OPERATING FIGURES DETAILS

| EURO MILLION                    | 2020          | 2021          | Var.          |
|---------------------------------|---------------|---------------|---------------|
| <b>Backlog</b>                  | <b>60,425</b> | <b>67,262</b> | <b>+11.3%</b> |
| Direct                          | 51,107        | 57,901        | +13.3%        |
| Proportional                    | 9,318         | 9,361         | +0.5%         |
| <b>Work Done</b>                | <b>30,538</b> | <b>31,316</b> | <b>+2.5%</b>  |
| Direct                          | 27,853        | 27,837        | -0.1%         |
| Proportional                    | 2,684         | 3,479         | +29.6%        |
| <b>EBITDA</b>                   | <b>1,384</b>  | <b>1,598</b>  | <b>+15.5%</b> |
| Direct                          | 1,073         | 1,325         | +23.5%        |
| Operating equity method results | 310           | 273           | -12.0%        |
| <b>EBIT</b>                     | <b>941</b>    | <b>1,084</b>  | <b>+15.2%</b> |
| Direct                          | 631           | 811           | +28.5%        |
| Operating equity method results | 310           | 273           | -12.0%        |

\*Pro forma comparable period: 50% of Thiess is included as "Operating Equity Method" and proportional production/backlog of the operating joint ventures. Excludes the negative impact from Gorgon (CIMIC) and the capital gain from the sale of 50% of Thiess. See annex 7.4.3

## FINANCIAL RESULTS

The ordinary financial expense increased by 19.4% due to less finance income mainly as a result of a lower average cash balance during the year with reduced rates.

The increase in net finance costs in the Industrial Services area is due to the increase in project debt related to new investments in energy assets over the last twelve months, which was offset by a lower balance in the Infrastructures

area, as a result of a reduction in debt and a less use of factoring by CIMIC.

The net financial expense does not include the change in value of the financial and hedging instruments held by the Group, which also had an impact on the previous year due to the volatility of the stock markets at the beginning of the pandemic and, therefore, they are considered one-off impacts. (See Annex 7.4.3)

| EURO MILLION                             | 2020         | 2021         | Var.          |
|--|--------------|--------------|---------------|
| Financial income                         | 143          | 103          | -28.3%        |
| Financial expenses                       | (360)        | (361)        | +0.4%         |
| <b>Ordinary Financial Result</b>         | <b>(217)</b> | <b>(259)</b> | <b>+19.4%</b> |
| Infrastructures                          | (174)        | (163)        | -6.0%         |
| Industrial Services                      | (23)         | (56)         | +140.7%       |
| Services                                 | (4)          | (7)          | +60.5%        |
| Corporation                              | (16)         | (33)         | +107.8%       |
| Exchange rates & other financial results | (31)         | 33           | n.a           |
| <b>Net Financial Result</b>              | <b>(247)</b> | <b>(225)</b> | <b>-8.9%</b>  |

Excludes extraordinary impacts in both periods. See annex 7.4.3

## ATTRIBUTABLE NET PROFIT

| NET PROFIT BREAKDOWN                                 |            |              |                |
|--|------------|--------------|----------------|
| EURO MILLION   | 2020       | 2021         | Var.           |
| Construction   | 263        | 273          | +3.8%          |
| Concessions  | (1)        | 167          | n.a.           |
| Industrial Services                                  | 312        | 328          | +5.1%          |
| Services   | 18         | 29           | +65.4%         |
| Corporation  | (49)       | (77)         | +56.4%         |
| <b>Group Ordinary Net Profit</b>                     | <b>542</b> | <b>720</b>   | <b>+32.9%</b>  |
| Extraordinary Impacts                                | 32         | 2,325        | n.a.           |
| <b>Net Profit Attributable to the Parent Company</b> | <b>574</b> | <b>3,045</b> | <b>+430.6%</b> |

The Group's ordinary net profit amounted to EUR 720 million, up 32.9% on the comparable period. This figure

does not include the EUR 2,325 million for one-off impacts during the period, which corresponds to the following items:

| EXTRAORDINARY IMPACTS & OTHER PRO FORMA ADJUSTMENTS         |           |              |  |
|---|-----------|--------------|--|
| EURO MILLION  | 2020      | 2021         |  |
| Capital gain on sale of Industrial Services                 | -         | 3,517        |  |
| Tax credits associated with the sale of Industrial Services | -         | (608)        |  |
| Prov. reassessment of operational risks                     | -         | (479)        |  |
| Alto Maipo, Chile (HOT)                                     | -         | (102)        |  |
| Other extraordinary impacts(1)                              | (28)      | (3)          |  |
| Adjustment for Thiess's contribution to 50%                 | 60        | -            |  |
| <b>TOTAL</b>  | <b>32</b> | <b>2,325</b> |  |

(1) See annex 7.4.3

The effective tax rate, not including the elimination of tax credits and other one-off impacts, stood at 37.0%,

compared to 35.8% in the comparable period.

## 4.2. BALANCE SHEET

| EURO MILLION                          | Dec-20        |                | Dec-21        |                | Var.          |
|---------------------------------------|---------------|----------------|---------------|----------------|---------------|
| <b>FIXED and NON-CURRENT ASSETS</b>   | <b>13,019</b> | <b>34.9 %</b>  | <b>11,010</b> | <b>30.9 %</b>  | <b>-15.4%</b> |
| Intangible Fixed Assets               | 3,784         |                | 3,348         |                | -11.5%        |
| Tangible Fixed Assets                 | 2,072         |                | 1,506         |                | -27.3%        |
| Equity Method Investments             | 4,480         |                | 4,524         |                | +1.0%         |
| Non current financial assets          | 776           |                | 770           |                | -0.8%         |
| Financial instrument debtors          | 18            |                | 12            |                | -35.1%        |
| Deferred Taxes Assets                 | 1,889         |                | 849           |                | -55.0%        |
| <b>CURRENT ASSETS</b>                 | <b>24,315</b> | <b>65.1 %</b>  | <b>24,654</b> | <b>69.1 %</b>  | <b>+1.4%</b>  |
| Non Current Assets Held for Sale      | 3,181         |                | 2,595         |                | -18.4%        |
| Inventories                           | 715           |                | 742           |                | +3.8%         |
| Accounts receivables                  | 10,498        |                | 8,380         |                | -20.2%        |
| Other current financial assets        | 1,355         |                | 1,280         |                | -5.5%         |
| Financial instrument debtors          | 251           |                | 201           |                | -20.1%        |
| Other Short Term Assets               | 233           |                | 203           |                | -13.0%        |
| Cash and banks                        | 8,081         |                | 11,253        |                | +39.3%        |
| <b>TOTAL ASSETS</b>                   | <b>37,334</b> | <b>100.0 %</b> | <b>35,664</b> | <b>100.0 %</b> | <b>-4.5%</b>  |
| <b>NET WORTH</b>                      | <b>4,276</b>  | <b>11.5 %</b>  | <b>7,028</b>  | <b>19.7 %</b>  | <b>+64.4%</b> |
| Equity                                | 4,197         |                | 6,505         |                | +55.0%        |
| Value change adjustments              | (669)         |                | (171)         |                | -74.4%        |
| Minority Interests                    | 747           |                | 694           |                | -7.2%         |
| <b>NON-CURRENT LIABILITIES</b>        | <b>10,606</b> | <b>28.4 %</b>  | <b>11,445</b> | <b>32.1 %</b>  | <b>+7.9%</b>  |
| Subsidies                             | 3             |                | 2             |                | -39.8%        |
| Long Term Provisions                  | <b>1,276</b>  |                | <b>1,835</b>  |                | <b>+43.8%</b> |
| Long Term Financial Liabilities       | 8,370         |                | 8,717         |                | +4.1%         |
| Bank loans and debt obligations       | 8,180         |                | 8,570         |                | +4.8%         |
| Project Finance                       | 73            |                | 51            |                | -30.3%        |
| Other financial liabilities           | 117           |                | 96            |                | -17.8%        |
| LT Operating Lease liabilities        | 473           |                | 401           |                | -15.1%        |
| Financial Instruments Creditors       | 50            |                | 33            |                | -33.6%        |
| Long term deferred tax liabilities    | 320           |                | 227           |                | -29.1%        |
| Other Long Term Accrued Liabilities   | 113           |                | 229           |                | n.a           |
| <b>CURRENT LIABILITIES</b>            | <b>22,452</b> | <b>60.1 %</b>  | <b>17,191</b> | <b>48.2 %</b>  | <b>-23.4%</b> |
| Liabilities from Assets Held for Sale | 2,246         |                | 2,058         |                | -8.4%         |
| Short Term Provisions                 | 921           |                | 997           |                | +8.2%         |
| Short Term Financial Liabilities      | 2,886         |                | 1,808         |                | -37.3%        |
| Bank loans and debt obligations       | 2,781         |                | 1,751         |                | -37.0%        |
| Project Finance                       | 16            |                | 18            |                | +14.6%        |
| Other financial liabilities           | 89            |                | 39            |                | -56.3%        |
| ST Operating Lease liabilities        | 192           |                | 151           |                | -21.5%        |
| Financial Instruments Creditors       | 155           |                | 173           |                | +11.1%        |
| Trade accounts payables               | 15,824        |                | 11,738        |                | -25.8%        |
| Other Short Term liabilities          | 227           |                | 267           |                | +17.5%        |
| <b>TOTAL EQUITY &amp; LIABILITIES</b> | <b>37,334</b> | <b>100.0 %</b> | <b>35,664</b> | <b>100.0 %</b> | <b>-4.5%</b>  |

## NON-CURRENT ASSETS

Intangible assets, which amounted to EUR 3,348 million, included goodwill from past strategic transactions for EUR 2,672 million. EUR 554 million of this amount came from the ACS and Dragados Group merger in 2003, and EUR 1,144 million from the acquisition of HOCHTIEF in 2011. The rest corresponds to the inclusion of various companies in the Group, mainly HOCHTIEF's companies.

The investments accounted for using the equity method included the interest in Abertis held by ACS and HOCHTIEF, HOCHTIEF's associates, concessions of Iridium and certain energy assets held by Industrial Services. In particular, the 30% interest held by ACS amounted to EUR 1,664 million, while HOCHTIEF's interest (20% minus one share) amounted to EUR 1,119 million. Therefore, the total impact on the ACS Group's balance sheet stood at EUR 2,783 million.

## WORKING CAPITAL

### WORKING CAPITAL EVOLUTION

| EURO MILLION             | Dec-20         | Mar-21         | Jun-21         | Sep-21         | Dec-21         |
|--------------------------|----------------|----------------|----------------|----------------|----------------|
| Infrastructures          | (4,587)        | (3,524)        | (4,004)        | (3,276)        | (3,909)        |
| Industrial Services      | (1,399)        | (188)          | (218)          | 60             | 281            |
| Services                 | (31)           | (19)           | (31)           | (34)           | (71)           |
| Corporation/ Adjustments | 395            | 267            | 109            | 124            | (100)          |
| <b>TOTAL</b>             | <b>(5,622)</b> | <b>(3,464)</b> | <b>(4,144)</b> | <b>(3,127)</b> | <b>(3,799)</b> |

Net working capital in the last twelve months decreased by EUR 1,823 million due to (1) the sale of Industrial Services, and (2) less use of factoring by the Infrastructure area.

The factoring balance at 31 December 2021 stood at EUR 1,012 million, decreasing by EUR 426 million in the year, of which EUR 101 million relates to the reclassification for accounting purposes of Industrial Services as a result of its sale.

## EQUITY

The ACS Group's equity stood at EUR 7,028 million at the end of the period. The increase in shareholders' equity is due to the capital gain on the sale of Industrial Services.

Valuation adjustments mainly relate to translation differences in the period as well as to the impact of hedging transactions.

| EURO MILLION                   | Dec-20       | Dec-21       | Var.         |
|--------------------------------|--------------|--------------|--------------|
| Shareholders' Equity           | 4,197        | 6,505        | +55.0%       |
| Adjustments from Value Changes | (669)        | (171)        | -74.4%       |
| Minority Interests             | 747          | 694          | -7.2%        |
| <b>Net Worth</b>               | <b>4,276</b> | <b>7,028</b> | <b>64.4%</b> |



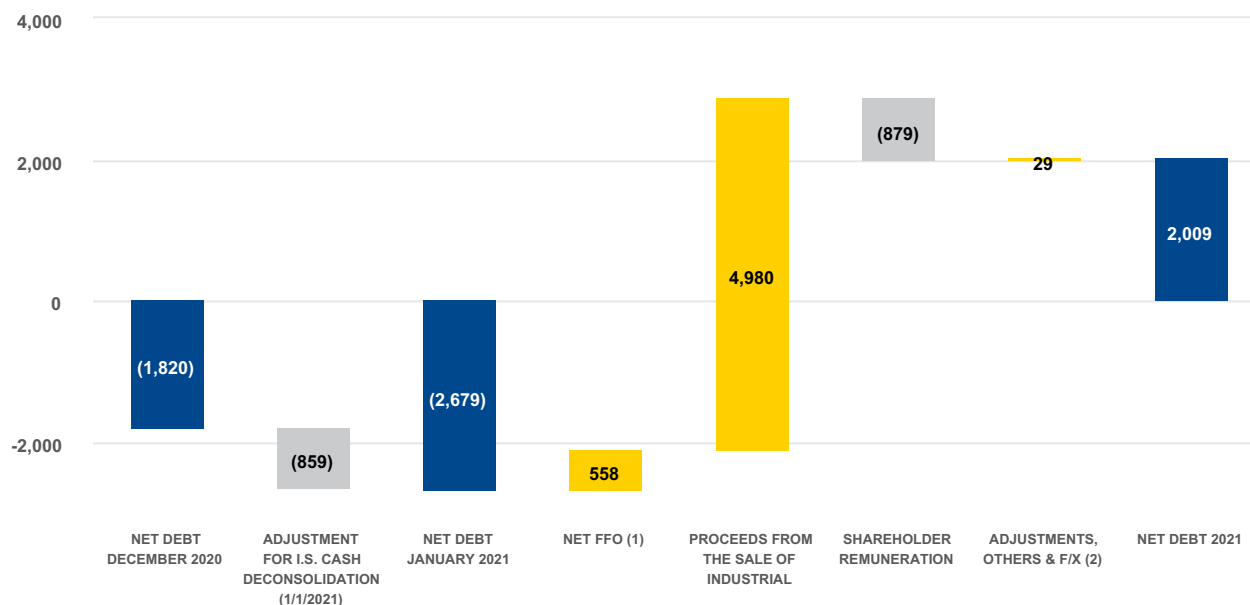
## NET DEBT

The Group maintained a net cash position on the balance sheet of EUR 2,009 million at 31 December 2021. Net debt decreased by EUR 4,688 million in the last twelve months following the sale of the Industrial Services business, with total proceeds amounting to EUR 4,980 million.

| NET DEBT (31 DECEMBER 2021)                     |                 |                     |              |                |             |                 |
|---|-----------------|---------------------|--------------|----------------|-------------|-----------------|
| Net Debt (€ mn)                                 | Infrastructures | Industrial Services | Services     | Corporation    | Adjust.     | ACS Group       |
| LT loans from credit entities                   | (2,053)         | 0                   | (211)        | (2,209)        | 0           | (4,474)         |
| ST loans from credit entities                   | (776)           | (209)               | (119)        | (6)            | 0           | (1,110)         |
| <b>Debt with Credit Entities</b>                | <b>(2,829)</b>  | <b>(209)</b>        | <b>(330)</b> | <b>(2,215)</b> | <b>0</b>    | <b>(5,584)</b>  |
| Bonds   | (2,741)         | (758)               | 0            | (1,239)        | 0           | (4,737)         |
| Non Recourse Financing                          | (70)            | 0                   | 0            | 0              | 0           | (70)            |
| Other financial liabilities                     | (115)           | 0                   | (1)          | 0              | 0           | (116)           |
| <b>Total External Gross Debt</b>                | <b>(5,755)</b>  | <b>(967)</b>        | <b>(331)</b> | <b>(3,454)</b> | <b>0</b>    | <b>(10,507)</b> |
| Net debt with Group's companies & Affiliates    | (20)            | 1                   | 0            | (55)           | (55)        | (19)            |
| <b>Total Gross Financial Debt</b>               | <b>(5,775)</b>  | <b>(967)</b>        | <b>(331)</b> | <b>(3,508)</b> | <b>(55)</b> | <b>(10,526)</b> |
| ST & other financial investments                | 1,007           | 133                 | 1            | 194            | 55          | 1,281           |
| Cash & Equivalents                              | 5,568           | 5,334               | 216          | 135            | 0           | 11,253          |
| <b>Total cash and equivalents</b>               | <b>6,575</b>    | <b>5,467</b>        | <b>217</b>   | <b>330</b>     | <b>55</b>   | <b>12,534</b>   |
| <b>(NET FINANCIAL DEBT) / NET CASH POSITION</b> | <b>800</b>      | <b>4,501</b>        | <b>(113)</b> | <b>(3,179)</b> | <b>0</b>    | <b>2,009</b>    |

## CHANGES IN THE FINANCIAL POSITION FOR 2021

MILLIONS OF EUROS



(1) Net FFO = EBITDA - Financial expense - Taxes - CAPEX & operating leases - Other operating income These cash flows do not include those from discontinued operations.

(2) Includes the impact of the exchange rate, reduction of factoring, changes in the scope of consolidation, payments to BICC and other net investments in projects

## 4.3. NET CASH FLOWS

| EURO MILLION   | 2020*          |              |                | 2021         |              |              |
|--|----------------|--------------|----------------|--------------|--------------|--------------|
|  | TOTAL          | HOT          | ACS<br>exHOT   | TOTAL        | HOT          | ACS<br>exHOT |
| <b>Cash Flow from Operating Activities before Working Capital</b>        | <b>612</b>     | <b>167</b>   | <b>445</b>     | <b>1,073</b> | <b>803</b>   | <b>270</b>   |
| Factoring var.   | (201)          | (135)        | (66)           | (325)        | (324)        | (1)          |
| WC var. ex factoring   | 144            | 389          | (245)          | (192)        | (92)         | (100)        |
| Net CAPEX  | (179)          | (123)        | (55)           | (120)        | (56)         | (64)         |
| <b>Net Operating Cash Flow</b>   | <b>378</b>     | <b>299</b>   | <b>79</b>      | <b>436</b>   | <b>332</b>   | <b>104</b>   |
| Net Financial Investments/Disposals                                      | 364            | 718          | (354)          | 4,964        | (105)        | 5,069        |
| Operating Leases (IFRS16)  | (210)          | (162)        | (48)           | (203)        | (160)        | (43)         |
| Other Financial Sources  | (1,042)        | (956)        | (86)           | (42)         | (39)         | (3)          |
| <b>Free Cash Flow</b>  | <b>(510)</b>   | <b>(101)</b> | <b>(409)</b>   | <b>5,154</b> | <b>27</b>    | <b>5,127</b> |
| Dividends paid   | (490)          | (235)        | (256)          | (396)        | (179)        | (217)        |
| Hochtief capital increase  | 0              | (207)        | 207            | 0            | (140)        | 140          |
| Intra group Dividends  | (736)          | 0            | (736)          | (483)        | (5)          | (478)        |
| <b>Total Cash Flow Generated / (Consumed) from continuing activities</b> | <b>(1,736)</b> | <b>(542)</b> | <b>(1,193)</b> | <b>4,276</b> | <b>(296)</b> | <b>4,572</b> |
| Perimeter change (Increase)/decrease                                     | 926            | 745          | 182            | (221)        | 11           | (232)        |
| Exchange rate (Increase)/decrease  | (239)          | (148)        | (91)           | 265          | 223          | 41           |
| <b>Net Debt Balance total variation</b>                                  | <b>(800)</b>   | <b>55</b>    | <b>(855)</b>   | <b>3,828</b> | <b>(62)</b>  | <b>3,890</b> |

\*Pro forma data reclassifying Thiess as operating equity method and Industrial Services cash flows as discontinued operation

### CASH FLOW FROM OPERATING ACTIVITIES

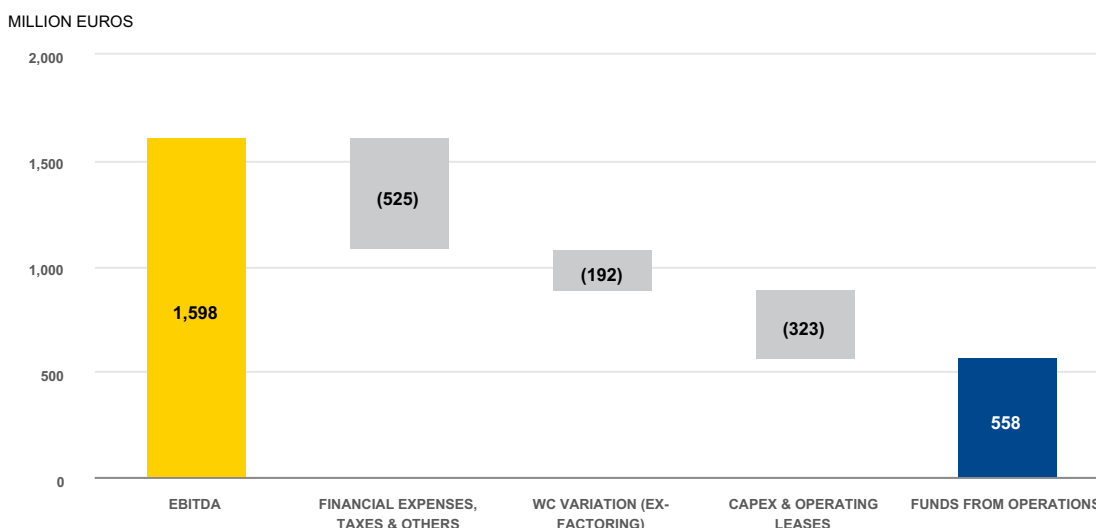
Cash flow from operating activities before working capital amounted to EUR 1,073 million, up 75.1% on the previous year thanks to the good performance of operating activities. 30% of these funds come from concession activities while 70% correspond to the rest of the operating activities (Construction and Services)

The change in working capital adjusted for factoring, EUR 192 million, is mainly due to the change in the working

capital structure as result of the migration to open book contracts with a more balanced risk profile and where no advances are granted.

Net operating investments amounted to EUR 120 million, while payments under operating leases resulted in a cash outflow of EUR 203 million.

### FUNDS GENERATED BY OPERATING ACTIVITIES



## CASH FLOW FROM INVESTMENTS

The divestment of the Industrial Services area at year-end resulted in proceeds of EUR 4,902 million (not including dividends received during the year from the activity totalling EUR 78 million).

The ACS Group's remaining net investments paid/received (on a cash basis) in 2021 amounted to EUR 58 million and include:

- EUR 120 million in net operating investments, mainly from the Construction business.
- Project and financial investments amounting to EUR 353 million:
  - (a) The Infrastructure business invested more than EUR 200 million, of which EUR 152 million were for a JV in HOCHTIEF America.
  - (b) EUR 135 million relates to energy projects of the Industrial Services business outside the scope of the sale, mainly in Kincardine and Zero-E assets.

(c) The Services area made investments in the period totalling EUR 9 million, all of which relate to the acquisition of StarCare, a UK-based home care services company.

- Divestments totalling EUR 415 million:
  - (a) Approximately EUR 100 million from the sale of various energy assets (transmission lines, wind farms and photovoltaic plants)
  - (b) EUR 137 million in divestments by the Infrastructure area, corresponding mainly to the sale of Presidio Parkway by HOCHTIEF, the sale of Continental Rail by Vias, and the rotation of concession assets by Iridium
  - (c) EUR 29 million in Services, almost all of which corresponds to Urbaser's earn-out..

| NET INVESTMENTS                                   |                           |                                |                       |              |
|---|---------------------------|--------------------------------|-----------------------|--------------|
| EURO MILLION                                      | Net Operating Investments | Project/ Financial Investments | Financial Divestments | Total        |
| <b>Infrastructures</b>                            | <b>(107)</b>              | <b>(209)</b>                   | <b>137</b>            | <b>(178)</b> |
| Dragados  | (52)                      | (2)                            | 19                    | (35)         |
| HOCHTIEF  | (56)                      | (203)                          | 97                    | (161)        |
| Iridium   | 0                         | (4)                            | 21                    | 17           |
| <b>Industrial Services (excl. sales disposal)</b> | <b>(1)</b>                | <b>(135)</b>                   | <b>249</b>            | <b>113</b>   |
| <b>Services</b>                                   | <b>(12)</b>               | <b>(9)</b>                     | <b>29</b>             | <b>7</b>     |
| <b>Corporation</b>                                | <b>(0)</b>                | <b>0</b>                       | <b>0</b>              | <b>(0)</b>   |
| <b>TOTAL (excl. IS's disposal)</b>                | <b>(120)</b>              | <b>(353)</b>                   | <b>415</b>            | <b>(58)</b>  |
| <b>Disposal of Industrial Services</b>            | <b>-</b>                  | <b>-</b>                       | <b>4,902</b>          | <b>4,902</b> |
| <b>TOTAL NET (INVESTMENTS) / DIVEST.</b>          | <b>(120)</b>              | <b>(353)</b>                   | <b>5,317</b>          | <b>4,844</b> |

## OTHER CASH FLOWS

Shareholder remuneration in 2021 amounts to EUR 879 million, of which:

- EUR 488 million corresponds to the flexible dividends paid by ACS both in cash (44%) and through the delivery of shares (56%) acquired in the market during the year.
- EUR 187 million from dividend payments to non-controlling interests, mainly HOCHTIEF and CIMIC.

- The Group spent EUR 478 million on the purchase of treasury shares, of which EUR 274 million was allocated to the flexible dividend for the year.
- Lastly, HOCHTIEF acquired EUR 5 million of treasury shares.

## 4.4. RISKS AND UNCERTAINTIES

The ACS Group carries on its activities in different industries, countries and socio-economic and legal environments, which entails exposure to different levels of risk inherent to the businesses in which it operates.

The ACS Group monitors and controls these risks that may affect its customers, shareholders, employees or its corporate reputation, or that may have a negative impact on the Group as a whole. To carry out this risk control, the ACS Group has instruments that enable it to identify the risks early enough to be able to manage them appropriately, either by avoiding their materialisation or by minimising their impact.

In addition to the risks inherent to its different business activities, the ACS Group is exposed to various risks of a financial nature due to interest rate or exchange rate fluctuations, liquidity risk and credit risk.

- a) Risks arising from changes in the interest rates on cash flows are reduced by hedging the rates through financial instruments that mitigate the effect of any fluctuations.
- a) Foreign currency risk is managed by arranging debt in the same functional currency as that of the assets financed by the Group abroad. To hedge the net positions denominated in currencies other than the euro, the Group arranges various financial instruments to reduce its exposure to foreign currency risk.
- b) The most significant changes in 2021 regarding the financial risks of the ACS Group detailed in the 2021 Financial Statements are as follows:
  - ACS, Actividades de Construcción y Servicios, S.A. renewed the Euro Commercial Paper (ECP) programme for a maximum amount of EUR 750 million, the Negotiable European Commercial Paper (NEU CP) programme for EUR 500 million, and the

debt issuance programme known as Euro Medium-Term Note Programme (EMTN Programme) for a maximum amount of EUR 1,500 million.

- HOCHTIEF and Cimic have issued bonds in the amount of EUR 500 million and EUR 625 million with a term of 8 years, respectively.
- On 30 December 2021, the ACS Group received EUR 4,901.7 million in cash corresponding to the sale of most of the Industrial Division.
- In March 2021, the credit rating agency Standard and Poor's (S&P) granted ACS, Actividades de Construcción y Servicios, S.A. a long-term corporate credit rating of BBB- and a short-term rating of A-3, with a stable outlook. HOCHTIEF and Cimic also obtained the same credit rating.

The Annual Integrated Report, which includes the ACS Group's Non-Financial Information, the Corporate Governance Report, and the Consolidated Financial Statements ([www.grupoacs.com](http://www.grupoacs.com)), provides a more detailed explanation of the risks and the instruments used to control these risks. Likewise, HOCHTIEF's Annual Report ([www.hochtief.com](http://www.hochtief.com)) details the risks inherent to the company and its control mechanisms.

For the next six months, from the reporting date of the financial statements to which this document refers and based on the information currently available, the ACS Group will continue to recover its level of profitability after the impact of the global pandemic, with the economic and financial situation expected to recover. Following the sale of the Industrial Services area, the Group will continue to strengthen its leadership in the strategic regions in which it operates — North America, Australia and Europe —, and expand its investments in infrastructure concession assets to balance the risk profile of the businesses.





## 4.5. INFRASTRUCTURE

| EURO MILLION               | 2020*         | 2021          | Var.          |
|----------------------------|---------------|---------------|---------------|
| <b>Turnover</b>            | <b>26,157</b> | <b>25,972</b> | <b>-0.7%</b>  |
| <b>EBITDA</b>              | <b>1,253</b>  | <b>1,476</b>  | <b>+17.8%</b> |
| <i>Margin</i>              | 4.8%          | 5.7%          |               |
| <b>EBIT</b>                | <b>855</b>    | <b>1,008</b>  | <b>+17.9%</b> |
| <i>Margin</i>              | 3.3%          | 3.9%          |               |
| <b>Ordinary Net Profit</b> | <b>262</b>    | <b>440</b>    | <b>+68.2%</b> |
| <i>Margin</i>              | 1.0%          | 1.7%          |               |
| <b>Backlog</b>             | <b>57,724</b> | <b>64,379</b> | <b>+11.5%</b> |
| <i>Months</i>              | 26            | 26            |               |

Note: Infrastructures includes Construction and Concessions activities.

\*Pro forma results reclassifying Thiess as "operating equity method" adjusting its contribution after the sale of 50% thereof, as well as eliminating other extraordinary impacts in Australia. See annex 7.4.3

The sales of the Infrastructure area amounted to EUR 25,972 million, virtually unchanged from the previous year, and slightly affected by the depreciation of the US dollar. However, quarterly performance shows a clear trend towards recovery from the effects of the pandemic in all regions of operation.

Europe is up 1.8% compared to 2020 thanks to the recovery of the main countries in the region, including Spain, which is growing by 2.8%.

In North America, sales performance was affected by the depreciation of the US dollar against the euro. The second half of the year has recovered significantly following the slowdown in growth during the pandemic and the completion of large projects, mainly in the US (+8.6% vs. the first half of the year).

Sales in Asia Pacific continued to be strong, underpinned by growth in the Australian market, which grew by 6.9% in local currency after resuming the projects that were interrupted by the pandemic and taking into account the new projects awarded.

EBITDA amounted to EUR 1,476 million, up 17.8%, while EBIT stood at EUR 1,008 million. Operating margins increased as a result of the positive contribution of Abertis during the period, mainly thanks to the improvements in operating efficiency at Turner and CIMIC.

Ordinary net profit amounted to EUR 440 million, up 68.2% on the comparable period, thanks to the recovery of Abertis' activity, which contributed EUR 117 million in the period, while its contribution in the comparable period was still negative.

| EURO MILLION   | SALES PER GEOGRAPHICAL AREAS |               |               |               |              | BACKLOG PER GEOGRAPHICAL AREAS |               |               |               |               |
|----------------|------------------------------|---------------|---------------|---------------|--------------|--------------------------------|---------------|---------------|---------------|---------------|
|                | 2019                         | % weight      | 2020          | % weight      | Var.         | Dec-19                         | % weight      | Dec-20        | % weight      | Var.          |
| Spain          | 1,402                        | 5.4%          | 1,441         | 5.5%          | +2.8%        | 2,320                          | 4.0%          | 2,779         | 4.3%          | +19.8%        |
| Rest of Europe | 1,718                        | 6.6%          | 1,734         | 6.7%          | +0.9%        | 6,004                          | 10.4%         | 6,564         | 10.2%         | +9.3%         |
| North America  | 17,314                       | 66.2%         | 16,415        | 63.2%         | -5.2%        | 29,623                         | 51.3%         | 32,996        | 51.3%         | +11.4%        |
| South America  | 235                          | 0.9%          | 227           | 0.9%          | -3.3%        | 856                            | 1.5%          | 763           | 1.2%          | -10.8%        |
| Asia Pacific   | 5,487                        | 21.0%         | 6,155         | 23.7%         | +12.2%       | 18,921                         | 32.8%         | 21,277        | 33.0%         | +12.5%        |
| <b>TOTAL</b>   | <b>26,157</b>                | <b>100.0%</b> | <b>25,972</b> | <b>100.0%</b> | <b>-0.7%</b> | <b>57,724</b>                  | <b>100.0%</b> | <b>64,379</b> | <b>100.0%</b> | <b>+11.5%</b> |

\*Comparable pro forma period: Excludes Thiess, accounting for 50% of its contribution as Operating Equity Method and the negative impact from Gorgon (CIMIC)

\*Pro forma: including only 50% of Thiess' backlog to make it comparable to the current period.

The backlog at the end of the period reached EUR 64,379 million, equivalent to 2 years of production with a book-to-build ratio of 1.15x, reaching pre-pandemic record highs with double digit growth (+11.5%).

In Spain, the backlog was 19.8% higher than in the comparable period as a result of the increase in procurement activity both in building and civil construction.

In Asia Pacific, the backlog rose by 12.5% as a result of the increase in projects awarded in Australia; the entry of new

large-volume projects — including the North East Link concession in Melbourne and the M6 highway in Sydney —, and major rail and energy projects, which brought the Australian backlog to EUR 2,936 million.

The North American backlog also performed well, underpinned by the US market. In particular, the US backlog grew by 4.2% in local currency.

## CONSTRUCTION

| CONSTRUCTION                 | DRAGADOS     |        |        | HOCHTIEF<br>(ACS CONTR.) |        |        | ADJUSTMENTS |       | TOTAL |        |        |        |
|------------------------------|--------------|--------|--------|--------------------------|--------|--------|-------------|-------|-------|--------|--------|--------|
|                              | EURO MILLION | 2020   | 2021   | Var.                     | 2020*  | 2021   | Var.        | 2020* | 2021  | 2020*  | 2021   | Var.   |
| <b>Sales</b>                 |              | 4,568  | 4,501  | -1.5%                    | 21,502 | 21,378 | -0.6%       | 0     | 0     | 26,070 | 25,879 | -0.7%  |
| <b>EBITDA</b>                |              | 267    | 263    |                          | 979    | 1,071  | +9.4%       | 16    | (59)  | 1,262  | 1,275  | +1.0%  |
| <i>Margin</i>                |              | 5.8%   | 5.8%   |                          | 4.6%   | 5.0%   |             | n.a   | n.a   | 4.8%   | 4.9%   |        |
| <b>EBIT</b>                  |              | 218    | 167    | -23.8%                   | 689    | 755    | +9.5%       | (29)  | (100) | 879    | 822    | -6.5%  |
| <i>Margin</i>                |              | 4.8%   | 3.7%   |                          | 3.2%   | 3.5%   |             | 0.0%  | 0.0%  | 3.4%   | 3.2%   |        |
| Net Financial Results        |              | (68)   | (36)   |                          | (137)  | (96)   |             | 0     | 0     | (205)  | (132)  |        |
| Equity Method                |              | 0      | 0      |                          | 0      | 0      |             | 0     | 0     | 0      | 0      |        |
| Other Results & Fixed Assets |              | 9      | (43)   |                          | (4)    | (30)   |             | 0     | 0     | 4      | (72)   |        |
| <b>EBT</b>                   |              | 159    | 88     | -44.8%                   | 548    | 630    | +14.9%      | (29)  | (100) | 678    | 617    | -8.9%  |
| Taxes                        |              | (50)   | 21     |                          | (145)  | (142)  |             | 14    | 13    | (181)  | (108)  |        |
| Minorities                   |              | (1)    | (3)    |                          | (243)  | (278)  |             | 10    | 44    | (234)  | (237)  |        |
| <b>Ordinary Net Profit</b>   |              | 108    | 106    | -1.4%                    | 160    | 210    | +31.0%      | (5)   | (43)  | 263    | 273    | +3.8%  |
| <i>Margin</i>                |              | 2.4%   | 2.4%   |                          | 0.7%   | 1.0%   |             |       |       | 1.0%   | 1.1%   |        |
| <b>Backlog</b>               |              | 11,883 | 12,462 | +4.9%                    | 45,840 | 51,916 | +13.3%      | n.a   | n.a   | 57,724 | 64,379 | +11.5% |
| <i>Months</i>                |              | 32     | 33     |                          | 25     | 25     |             |       |       | 26     | 26     |        |

Note: The column "Adjustments" includes the removal of Abertis' contribution through HOCHTIEF, PPA depreciation, and consequently the impact on tax and minorities.

\* Ordinary Pro forma: Includes 50% of Thiess' contribution as Operating Equity Method and eliminates other extraordinary impacts in Australia. See annex 7.4.3

Sales at Dragados dropped slightly due to the impact of the US dollar exchange rate. Margins stabilised after the adjustment of the last two years due to the migration towards contracts with a lower and diversified risk profile, particularly in the US. Accordingly, net profit amounted to EUR 106 million with a stable sales margin with respect to the comparable period.

HOCHTIEF's sales have remained stable when adjusted for the exchange rate. North America is affected by the negative effect of the exchange rate and the termination of joint venture projects in the region, but showed solid performance in the second half of the year.

Asia Pacific maintained the momentum of the Australian market as a result of resuming ongoing projects and beginning new ones recently awarded.

Operating margins increased due to the positive contribution of Abertis during the period and the operational improvements at Turner and CIMIC.

HOCHTIEF's ordinary net profit amounted to EUR 402 million, up 29.2% on a like-for-like basis, underpinned by the contribution of EUR 58 million made by Abertis in the period. This profit does not include the one-off negative impact of Alto Maipó (Chile) for EUR 195 million.



## HOCHTIEF

| EURO MILLION                 | AMERICA |        |       | ASIA PACIFIC |       |        | EUROPE |       |        | HOLDING |      | TOTAL  |        |        |
|------------------------------|---------|--------|-------|--------------|-------|--------|--------|-------|--------|---------|------|--------|--------|--------|
|                              | 2020    | 2021   | Var.  | 2020*        | 2021  | Var.   | 2020   | 2021  | Var.   | 2020    | 2021 | 2020*  | 2021   | Var.   |
| <b>Sales</b>                 | 14,676  | 13,793 | -6.0% | 5,435        | 6,137 | +12.9% | 1,271  | 1,309 | +3.1%  | 121     | 138  | 21,502 | 21,378 | -0.6%  |
| <b>EBITDA</b>                | 430     | 422    | -0.0% | 493          | 575   | +16.6% | 111    | 109   | -1.3%  | (55)    | (35) | 979    | 1,071  | +9.4%  |
| <i>Margin</i>                | 2.9%    | 3.1%   |       | 9.1%         | 9.4%  |        | 8.7%   | 8.4%  |        |         |      | 4.6%   | 5.0%   |        |
| <b>EBIT</b>                  | 344     | 340    | -1.3% | 347          | 395   | +13.6% | 57     | 58    | +2.6%  | (60)    | (39) | 689    | 755    |        |
| <i>Margin</i>                | 2.3%    | 2.5%   |       | 6.4%         | 6.4%  |        | 4.5%   | 4.5%  |        | 0.0%    | 0.0% | 3.2%   | 3.5%   |        |
| Net Financial Results        | (16)    | (18)   |       | (144)        | (119) |        | (16)   | 4     |        | 39      | 38   | (137)  | (96)   |        |
| Other Results & Fixed Assets | (3)     | 1      |       | (3)          | (14)  |        | 2      | (18)  |        | 0       | 1    | (4)    | (30)   |        |
| <b>EBT</b>                   | 326     | 323    | -0.9% | 200          | 262   | +31.0% | 43     | 45    | +3.7%  | (21)    | 0    | 548    | 630    | +14.9% |
| Taxes                        | (44)    | (62)   |       | (39)         | (59)  |        | (4)    | (15)  |        | (58)    | (6)  | (145)  | (142)  |        |
| Minorities                   | (45)    | (30)   |       | (47)         | (56)  |        | 1      | 0     |        | 0       | 0    | (92)   | (85)   |        |
| <b>Ordinary Net Profit</b>   | 237     | 232    | -2.0% | 114          | 147   | +29.2% | 40     | 30    | -26.2% | (79)    | (6)  | 311    | 402    | +29.2% |
| <i>Margin</i>                | 1.6%    | 1.7%   |       | 2.1%         | 2.4%  |        | 3.2%   | 2.3%  |        |         |      | 1.4%   | 1.9%   |        |

\* Ordinary Pro forma: Includes 50% of Thiess' contribution as Operating Equity Method and eliminates other extraordinary impacts in Australia

Within HOCHTIEF's various business areas, the following is worth highlighting:

- The sales of HOCHTIEF Americas decreased by 6.0% due to the impact of the depreciation of the US dollar and the termination of joint venture projects in the region. Sales margins increased, thus showing the strength of the construction management activities that represent the majority of the division's business.
- In Asia Pacific (CIMIC), sales grew by 7.6% in local currency as a result of a rebound in production from construction and services activities in the Australian market. Net profit grew in line with sales to EUR 147 million.
- Sales performance in Europe was stable with a slight cyclical impact on operating margins related to COVID-19.
- Corporate net profit included Abertis' net contribution in the period from the interest it holds in HOCHTIEF amounting to EUR 58 million, in contrast with the EUR -17 million from the last period.

## CONCESSIONS

| EURO MILLION      | 2020 | 2021 | Var.  |
|-------------------|------|------|-------|
| <b>Sales</b>      | 87   | 93   | +7.3% |
| Iridium           | 87   | 93   |       |
| Abertis           | 0    | 0    |       |
| <b>EBITDA</b>     | (9)  | 201  | n.a   |
| Iridium           | 34   | 56   |       |
| Abertis           | -43  | 145  |       |
| <b>EBIT</b>       | -24  | 186  | n.a   |
| Iridium           | 19   | 41   |       |
| Abertis           | -43  | 145  |       |
| <b>Net Profit</b> | (1)  | 167  | n.a   |
| Iridium           | 33   | 50   |       |
| Abertis           | -35  | 117  |       |

## IRIDIUM

Iridium's net profit increased as a result of the higher contribution from operating concessions and the sale of various assets (Hospital de Toledo, Baixo Alentejo highway).

## ABERTIS

Abertis' contribution to the ACS Group's net profit amounted to negative EUR 117 million, of which EUR 87 million relates to the direct interest held by ACS, with the remaining EUR 30 million relating to the indirect holding through HOCHTIEF, once non-controlling interests were deducted.

The recovery in average daily traffic (+21% year-on-year), together with the additions of new toll roads in the US (Elizabeth River Crossing) and Mexico (RCO), where average traffic is above pre-pandemic levels, have enabled Abertis to achieve revenue of EUR 4,854 million (+20%) and EBITDA of EUR 3,351 million (+28%). As a result, the contribution to ACS' net profit at December 2021 amounts to EUR 117 million, compared to EUR -35 million in the comparable period.

On 10 October 2021, a new agreement was signed with the government of Chile and Autopista Central to build a tunnel to improve mobility in one of the most congested areas of

Santiago de Chile. The total investment in the project exceeds EUR 300 million in exchange for extending the concession for an additional 20 months.

In addition, an agreement was reached to sell the entire shareholding of Alienor (35%) and Sanef Aquitaine (100%) to Eiffage for a total of EUR 222 million.

These two transactions, together with the disposal of Alis in 2020, are part of Abertis' strategy of divesting non-controlling interests to reinvest in new projects to continue to replenish the company's cash flow.

| MILLION EUROS               | 2020  | 2021  | Var. |
|-----------------------------|-------|-------|------|
| <b>Sales</b>                | 4,054 | 4,854 | +20% |
| <b>EBITDA</b>               | 2,628 | 3,351 | +28% |
| <b>Net Profit (Pre PPA)</b> | 365   | 691   | +89% |

## 4.6. INDUSTRIAL SERVICES

The sales of Industrial Services come from the energy assets retained by ACS after the sale of the Industrial Services area.

| EURO MILLION               | 2020       | 2021       | Var.          |
|----------------------------|------------|------------|---------------|
| <b>Turnover</b>            | <b>149</b> | <b>230</b> | <b>+55.0%</b> |
| <b>EBITDA</b>              | <b>129</b> | <b>92</b>  | <b>-28.8%</b> |
| <i>Margin</i>              | 86.9%      | 39.9%      |               |
| <b>EBIT</b>                | <b>128</b> | <b>91</b>  | <b>-28.8%</b> |
| <i>Margin</i>              | 85.9%      | 39.5%      |               |
| <b>Ordinary Net Profit</b> | <b>312</b> | <b>328</b> | <b>+5.1%</b>  |

\*Data restated following the agreement for the sale of Industrial Services. The contribution of the scope on sale has been accounted for as discontinued operations. Extraordinary impacts in the period are not included. See annex 7.4.3

The area's ordinary net profit amounted to EUR 328 million, up 5.1% on the previous year, and includes the scope of the sale accounted for as discontinued operations during the year. Both the capital gains generated by the sale and the effect of not amortising the assets sold accounted for as held for sale during the year are excluded from ordinary net profit, as both items are considered one-off impacts.

The sale of Industrial Services was concluded on 31 December 2021 for EUR 4,980 million (including dividends received during the year) and resulted in a net capital gain of EUR 2,909 million. This capital gain includes the elimination of tax credits from the Group's balance sheet without giving rise to any cash outflow. With the Industrial Services business being excluded from the scope of consolidation after closing operations, it was decided to write off these tax credits for accounting purposes, even though they will remain in force indefinitely from a tax point of view.



## 4.7. SERVICES

The Services business has recovered after the temporary shutdown of a significant part of the cleaning services for social infrastructures, which, in the previous year, stopped all activities during the state of emergency. Sales in 2021 grew by 5.7% year-on-year to EUR 1,643 million.

Operating margins have recovered to pre-pandemic levels.

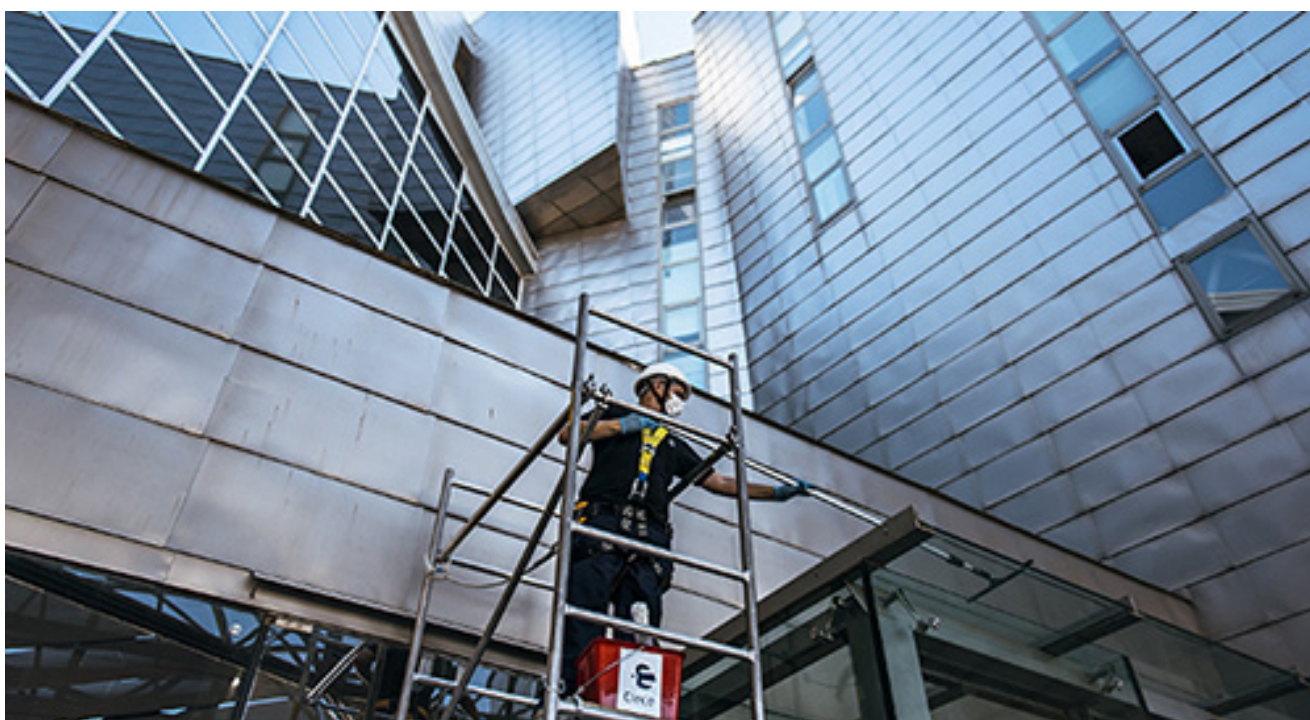
Ordinary net profit does not include the earn-out received in the year by Urbaser amounting to EUR 28 million, which is considered a one-off impact.

| EURO MILLION               | 2020         | 2021         | Var.          |
|----------------------------|--------------|--------------|---------------|
| <b>Turnover</b>            | <b>1,555</b> | <b>1,643</b> | <b>+5.7%</b>  |
| <b>EBITDA</b>              | <b>61</b>    | <b>88</b>    | <b>+43.2%</b> |
| <i>Margin</i>              | 3.9%         | 5.3%         |               |
| <b>EBIT</b>                | <b>21</b>    | <b>45</b>    | <b>n/a</b>    |
| <i>Margin</i>              | 1.3%         | 2.7%         |               |
| <b>Ordinary Net Profit</b> | <b>18</b>    | <b>29</b>    | <b>+65.4%</b> |
| <i>Margin</i>              | 1.1%         | 1.8%         |               |
| <b>Backlog</b>             | <b>2,701</b> | <b>2,883</b> | <b>+6.7%</b>  |
| <i>Months</i>              | 21           | 21           |               |

The Services backlog amounted to EUR 2,883 million, equivalent to 21 months of production, up 6.7% year-on-year.

| SALES PER GEOGRAPHICAL |              |              |              |
|------------------------|--------------|--------------|--------------|
| EURO MILLION           | 2020         | 2021         | Var.         |
| Spain                  | 1,437        | 1,503        | +4.6%        |
| United Kingdom         | 98           | 118          | +21.0%       |
| Portugal               | 20           | 21           | +4.8%        |
| <b>TOTAL</b>           | <b>1,555</b> | <b>1,643</b> | <b>+5.7%</b> |

| BACKLOG PER GEOGRAPHICAL |              |              |              |
|--------------------------|--------------|--------------|--------------|
| EURO MILLION             | Dec-20       | Dec-21       | Var.         |
| Spain                    | 2,490        | 2,609        | +4.8%        |
| United Kingdom           | 136          | 202          | +48.1%       |
| Portugal                 | 75           | 72           | -3.8%        |
| <b>TOTAL</b>             | <b>2,701</b> | <b>2,883</b> | <b>+6.7%</b> |



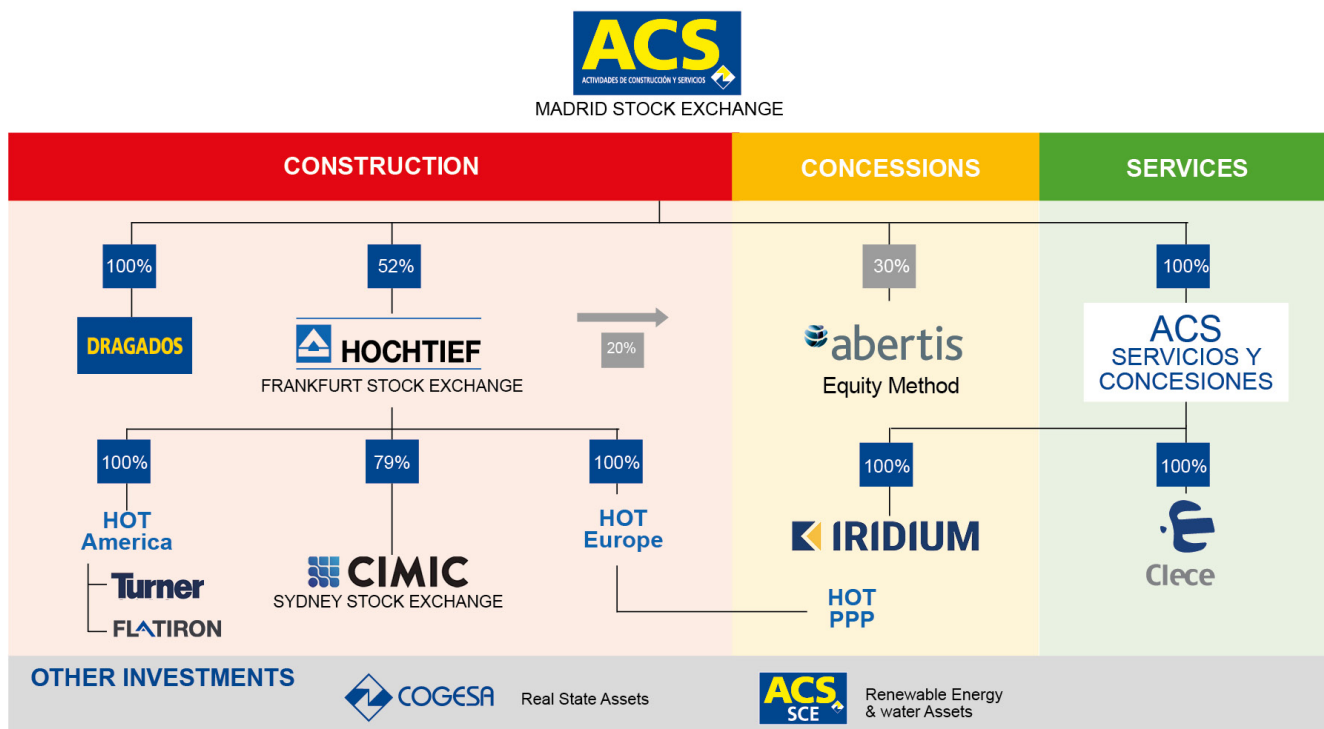
## 5. CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT

- 5.0. THE ACS GROUP BUSINESS MODEL
- 5.1. ENVIRONMENT
- 5.2. PEOPLE IN THE ACS GROUP
- 5.3. OCCUPATIONAL HEALTH AND SAFETY
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## 5.0. ACS GROUP BUSINESS MODEL



The ACS Group is a worldwide reference in the construction and services business. As a global company, it participates in developing key sectors for the world economy, while at the same time maintaining a commitment to the economic and social progress of the countries in which it operates.

The ACS Group has consolidated a business model characterised by its broad geographic and activity diversification. The main areas of the Group are divided into:

a) **Construction:** comprises the activities of Dragados and HOCHTIEF and is aimed at carrying out all types of Civil Works (activities related to the development of infrastructure such as motorways, railway, maritime and airport works) and Building projects (residential buildings, social equipment and facilities), as well as infrastructure services (railway, transport, communications and technology, energy, resources, water and defence sectors).

The geographical regions with the greatest exposure are North America, Asia Pacific and Europe, operating mainly in developed and secure markets at the geopolitical, macroeconomic and legal levels.

b) **Concessions:** includes Iridium's activity and the share in Abertis and is aimed at developing and operating transport concessions. These projects are carried out either through direct construction models for institutional or private clients or through public-private partnership models, where the ACS Group covers the whole concession business value chain from project design through financing, construction and start-up to operation.

c) **Services:** It covers the activity of Clece, which offers comprehensive maintenance services for buildings, public places or organisations, as well as assistance to people. This area is fundamentally based in Spain but also shows incipient growth in the European market.



For more information on the ACS Group's business model: 2. The ACS Group





### 5.0.1. STRATEGY AND TRENDS

The ACS Group's context of operational decentralisation requires it to adapt its strategy to the challenges and opportunities presented in a more complex and competitive sector. The Group's strategy is focused on the fact that all companies share common values and culture, while at the same time operating independently, individually contributing a multitude of valid and profitable management formulas that generate shared knowledge and best practices.

The ACS Group is positioned as one of the world's leaders in the construction and services industry, with a clear and defined mission: to pursue global leadership, optimise the return on resources used and promote sustainable development, while generating shared value for all of its stakeholders and promoting sustainable and profitable growth for its shareholders.

These commitments are implemented through the Group's Sustainability Policy, updated in its latest version approved by the ACS Board of Directors in December 2020. This policy defines the principles of action for the ACS Group in this area, as well as the Group's relationship with its environment.

Also, in December 2021, the Board of the ACS Group approved the Sustainability Master Plan 2025 establishing the Group's sustainability strategy, setting out the commitments and strategic lines to continue "Driving the Global Sustainability of Infrastructure", as well as the sustainability targets set for 2025.

As part of the Group's commitment to information transparency, the description of the existing policies in regard to non-financial issues, as well as the results of the policies, including key performance indicators, is presented throughout this Consolidated Non-Financial Statement, including key performance indicators. In order to ensure

maximum rigour and transparency, this document was prepared following the requirements established by the international standards in the area of reporting, such as the GRI Standards. The related indicators have been verified by an independent third party in accordance with the standard (ISAE) 3000.

The content of the report was selected based on a preliminary materiality analysis that identified the most relevant issues for the company and its principal stakeholders. This analysis also identified the material issues for the ACS Group, as well as the main risks and opportunities associated with these issues that may affect the performance of the ACS Group's businesses.

The detailed conclusions of this analysis, as well as the material issues identified, can be consulted in section 7.2. of the report, but as a summary, the future scenario in which the ACS Group will carry out its activity in the coming years will be marked by the following factors:

- Geopolitical and regulatory changes
- Population growth and urbanisation
- New financing models
- New technologies
- Growing demand for resilient infrastructure
- Climate change and decarbonisation
- Circular economy and efficient use of resources
- Sustainable production model
- New work and human resource management models



**For further information:  
2.2. Corporate strategy  
that creates shared value.**



**Sustainability Master  
Plan 2025**



**7.2. Identification of  
relevant issues**

## 5.0.2. RISKS

In regard to risk management, the ACS Group carries out its activities in different industries, countries and socio-economic and legal environments, which entails exposure to different levels of risk inherent to the businesses in which it operates.

In 2020, the ACS Group approved the update of General Risk Control and Management Policy, as well as the Integrated Risk Control and Management System, in line with the update of the Good Governance Code of Listed Companies in June of the same year.

From the point of view of continuous improvement, the ACS Group has a General Risk Map that is updated on a regular basis and that is established as a fundamental tool of its Integral Risk Management and Control System.

The ACS Group's risk control system is based on a range of strategic and operational actions designed to mitigate these risks and achieve the objectives established by the Board of Directors. The Corporate Unit is responsible for determining the basic guidelines for the purpose of unifying the operating criteria in each of the divisions to guarantee an adequate level of internal control. The Group's companies and divisions are responsible for developing the

internal regulations necessary and appropriate to ensure that, based on the peculiarities of their activity, they implement internal control to guarantee its optimum level.

In this respect, the Board of Directors of the Parent Company of the Group has established a framework of appropriate policies and controls to prevent corruption and other irregular practices, as well as to identify, assess, manage and control the risks, both financial and non-financial, as well as the potential impacts associated with them. This process includes full involvement of the Audit Committee, which is responsible for overseeing both the effectiveness of internal control and internal audit, and ensuring the strict application of the policies and controls established.

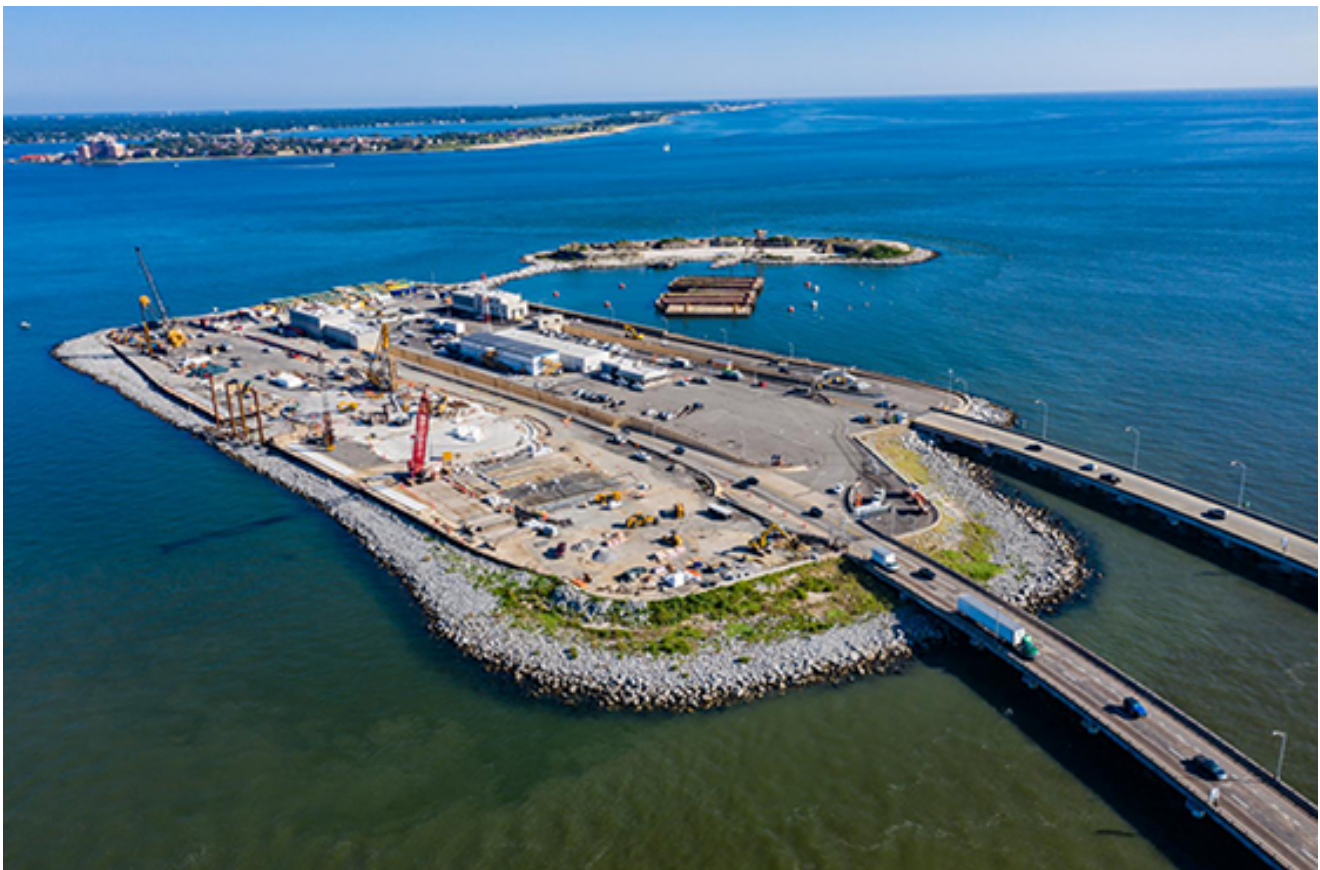
The responsibility of the Board of Directors notwithstanding, the Audit Committee ensures compliance with the transparency obligations of the company and, in particular, because the information included in this Non-Financial Statement (NFS), the Annual Corporate Governance Report (ACGR) and the Annual Report on Directors' Remuneration (DRR) is sufficient to allow the market and investors to understand the scope and importance of the corresponding facts and risks in the area of Non-Financial Information.



**2.3. Efficient risk management**



**7.2. Identification of relevant issues**



In relation to non-financial risks, according to the Group's general risk map, the main risks that were detected that they may pose to the execution of the activity of the company:

## SOCIAL

**COVID management:** refers to the risks related to the impact on operations arising from pandemics or other health crises and that could lead to delays in projects and labour management issues, among others.

**Safety and health risks and occupational risk prevention:** due to the activity of the ACS Group, the incidents or accidents that affect the safety and health of employees, whether direct employees or subcontracted workers, are a material issue for the company as it works to achieve "zero accidents".

**Labour relations:** inadequate management of key aspects in human resources, such as collective bargaining, remuneration models, resource planning, absenteeism, training and employment conflicts, which could have a negative impact on meeting business objectives.

**Attracting and retaining talent:** lack of availability of qualified and trained human resources necessary to carry out the Group's activities. This risk takes into account the entire hiring process: training, professional development and satisfaction.

**Ineffective internal communication:** lack of communication from management with the teams, which could negatively affect human resource management and labour relations, and could pose a risk in meeting objectives, developing people and in the work environment.

**Purchasing and sub-contracting processes:** the contracting of external services has associated risks arising

from the unavailability of suitable companies or professionals, inadequate selection or lack of capacity to meet the obligations taken on, which could lead to delays, cost overruns or quality failures.

**Impact on the economic - social environment:** the risk of having a negative economic and social effect as a result of the Group's activity in local communities and responsible supply chain.

**Relationship with the client:** inadequate management of relationships with clients can have different negative impacts on revenue, as well as the reputation of the business. In addition, there are risks associated with market conditions that are beyond the control of the ACS Group.

**Violation of Human Rights:** the risk arising from failure to comply with the ACS Group's business commitment to the UN Global Compact on Human Rights and Labour, as well as the regulations in force in the countries in which the Group operates.

**External communication with stakeholders:** the risk of improperly communicating financial and non-financial information to the principal stakeholders of the ACS Group (investors, shareholders and voting advisers) such that information requirements for stakeholders are not met.

**Information security and cyber-attacks:** the existence of cyber-threats could result in the loss of tenders, prolonged halting of operations, uncontrolled access, information leakage and data.

## ENVIRONMENTAL

**Efficient use of resources and circular economy:** inadequate use or failure to take advantage of the natural resources necessary to carry out the activities that do not contribute to a circular economy model can lead to scarcity and depletion of resources.

**Climate change and energy efficiency:** the occurrence of natural disasters or other events arising from climate

change, as well as the breach of new environmental and energy efficiency legislation and regulations may impact the Group's activities and their cost.

**Biodiversity:** generating negative impacts on protected areas or areas with high ecological value, as well as performing activities in areas that are already affected, can result in a limitation of resources and opposition from local communities.

### 5.0.3. EVOLUTION OF RELEVANT INDICATORS FOR NON-FINANCIAL MANAGEMENT OF THE ACS GROUP

In accordance with Law 11/2018, this Non-Financial Statement contains the information necessary to understand the evolution, results and situation of the ACS Group, and the impact of its activity with regard, at least, to environmental and social issues, respect for Human Rights and the fight against corruption and bribery, as well as its activities in regard to personnel.

In 2021, the evolution of the indicators of the non-financial management of the ACS Group was affected by the

recovery of the activity after 2020 marked by the unprecedented health, economic and social crisis caused by the COVID-19 pandemic, as well as changes in the scope of consolidation of the ACS Group. On 30 December 2021, the sale of the Industrial Services activity was closed, the activity of which was considered to have been interrupted throughout 2021. In December 2020, the 50% stake in the Australian mining company Thiess was sold.

| Evolution of relevant NFS indicators  | 2020       | 2020 Rest.* | 2021       |
|---|------------|-------------|------------|
| <b>Environmental issues</b>   |            |             |            |
| Percentage of operations covered by ISO 14001 Certification   | 74.1%      | 86.2%       | 87.3%      |
| Hazardous waste (t)   | 389,150    | 358,311     | 400,895    |
| Non-hazardous waste (t)   | 15,713,510 | 15,941,779  | 17,894,515 |
| Scope 1 emissions (tCO <sub>2</sub> )   | 2,683,671  | 352,891     | 323,889    |
| Scope 2 emissions (tCO <sub>2</sub> )   | 183,375    | 92,466      | 103,637    |
| Scope 3 emissions (tCO <sub>2</sub> )   | 1,937,759  | 2,130,554   | 2,637,182  |
| Total energy consumption (MWh)  | 11,258,838 | 1,663,427   | 1,609,496  |
| Electricity consumption from renewable sources (MWh)  | 64,246     | 51,651      | 69,506     |
| <b>Social and personnel issues</b>  |            |             |            |
| December 31 Workforce   | 179,539    | 122,779     | 122,502    |
| % Men workforce   | 57.7%      | n.a.        | 42.0%      |
| % Women workforce   | 42.3%      | n.a.        | 58.0%      |
| % Mid-level educational degrees and above   | 17.9%      | n.a.        | 16.2%      |
| % Non-qualified technicians and Administrative staff  | 18.8%      | n.a.        | 17.1%      |
| % Other staff   | 63.3%      | n.a.        | 66.7%      |
| % Permanent Contracts   | 67.4%      | n.a.        | 72.3%      |
| % Temporary Contracts   | 32.6%      | n.a.        | 27.7%      |
| Number of women in management positions   | 2,467      | 2,143       | 2,319      |
| % Employees in centres covered by Equality Plans  | 76.6%      | 95.6%       | 95.9%      |
| % Employees in centres with Universal Accessibility   | 82.6%      | 100.0%      | 100.0%     |
| Employees belonging to vulnerable groups  | 10,047     | 9,819       | 10,320     |
| Total teaching hours given  | 2,567,469  | 721,895     | 963,760    |
| Employees participating in training activities  | 80,743     | 45,768      | 56,263     |
| Investment in training per employee (of total employees trained) (euros)  | 311        | 234         | 255        |
| Percentage of total employees covered by OHSAS 18001 certification (Occupational Health and Safety) or ISO 45001                | 92.0%      | 90.8%       | 91.8%      |
| Percentage of total employees who have received at least one occupational health and safety course in their professional career | 99.3%      | 99.0%       | 100.0%     |
| Investment in occupational health and safety per employee (euros/employee)  | 1,196.7    | 1,115.5     | 972.5      |
| Frequency Rate  | 9.06       | 11.46       | 13.64      |
| Severity Rate   | 0.31       | 0.33        | 0.38       |
| Incidence Rate  | 17.15      | 20.62       | 24.57      |

## Evolution of relevant NFS indicators

|   | 2020   | 2020 Rest.* | 2021   |
|---|--------|-------------|--------|
| <b>Ethics, human rights, contribution to society</b>  |        |             |        |
| Number of employees trained in Human Rights, Ethics, Integrity, Conduct in the year or other compliance policies and procedures (1)   | 58,892 | 39,213      | 45,909 |
| Number of courses given with content on Human Rights, Ethics, Integrity, Conduct or other compliance policies and procedures (1)  | 840    | 394         | 456    |
| Funds allocated to Social Action (millions of euros) (1)  | 19     | 16          | 12     |
| <b>Other information on the company</b>   |        |             |        |
| Companies with formal supplier/subcontractor approval systems (1)   | 98.1%  | 91.5%       | 91.6%  |
| Weighted average weight for expenses that have the sustainability-related factors (environmental, ethical and social criteria) out of the total factors used in the approval systems (1)  | 38.5%  | 40.9%       | 38.4%  |
| Frequency Rate (contractors)  | 2.94   | 3.36        | 3.01   |
| Severity Rate (contractors)   | 0.16   | 0.10        | 0.09   |
| Percentage of turnover from activities certified under the ISO 9001 standard (%)  | 54.4%  | 43.8%       | 46.4%  |
| Investments and expenses of the Quality Control Department or earmarked to improve quality management processes to turnover (excluding staff costs, euros/millions of euros turnover) (1) | 2.79   | 0.40        | 0.56   |
| Number of quality audits per million euros of billings (1)  | 0.42   | 0.45        | 0.46   |
| Investment R & D (million euros) (1)(2)   | 53.45  | 40.05       | 38.68  |

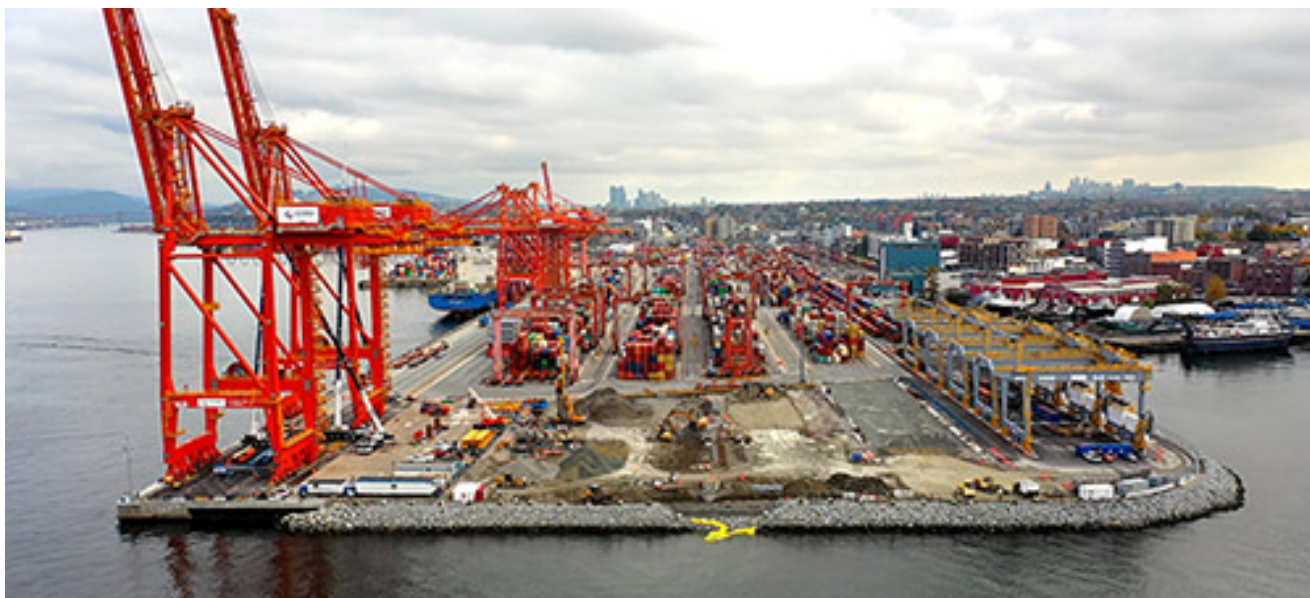
(\*) 2020 restated for the sale of Industrial Services and the 50% interest in Thiess.

(1) In these particular indicators, 2020 has been restated only for the sale of Industrial Services without considering the sale of the 50% interest in Thiess, although the impact of this would not be material in the recalculation.

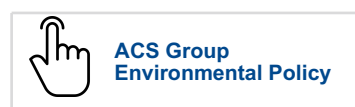
(2) Scope of data in 2020 restated and 2021 of 39.5% and 42.4%, respectively.

As much as possible, the information included in this Non-Financial Statement has been organised in such a manner to allow stakeholders to interpret the changes experienced by the ACS Group with respect to previous years. For the sake of comparability of the data, where possible, certain 2020 data were recalculated with the same scope as the data reported in 2021, and in those cases in which the data could not be recalculated retroactively, the historical data is provided for the purposes of information.

The scope of the information included in this NFS is shown specifically for each indicator in point 7.3.3. Given the Group's size and diversification (in terms of both geography and sector), there may be changes in the information reported from the previous year as a result of changes in scope (see Annex 7.3.3) or changes in the format of a report in order to adapt them to national and international requirements.



## 5.1. ENVIRONMENT



The ACS Group integrates efficient resource management and environmental protection into its business objectives, operating under the principles of precaution and conservation of the natural environment to minimise the impact of its operations. Likewise, due to the climate emergency, the ACS Group aims to contribute to the transition to a low carbon economy by promoting products and services that have a smaller impact on the environment and improving the efficiency of processes in its activities.

As a result of these commitments, the company has defined an environmental management framework comprising the Group's Environmental Policy, approved by the Board on 14 November 2018 and updated at 17 December 2020, which is articulated by the different management systems implemented in the Group companies.

For this reason, the main environmental measures implemented by the ACS Group companies are governed by the basic principles of action developed in the policy. These guidelines are flexible enough to accommodate the specific procedures and mechanisms of each of the Group companies. The commitments established in the Environmental Policy are:

1. Compliance with applicable legislation and regulations, as well as other commitments voluntarily accepted by each of the Offices, Delegations, Projects, Works and Services carried out by the ACS Group.
2. Prevention of pollution, based on the assessment of the potential risks to the environment in each of the phases of the project, work or service, with the aim of designing processes to minimise the environmental impact.

3. Continuous improvement management of its environmental performance, by establishing and monitoring environmental objectives.
4. Transparency in external communication, by periodically publishing information on environmental performance to all stakeholders, based on their demands and expectations, either due to regulatory compliance or voluntarily.
5. Training and increasing awareness, through training and awareness activities for employees, suppliers, clients and other stakeholders.

The company's environmental policy in the Group's companies is implemented through the environmental management systems, which ensure the correct management of environmental risks and opportunities, as well as the ongoing improvement of the company's performance.

87.3% of the Group's turnover is generated by companies that have management systems certified under the ISO 14001 standard. The Group applies the principle of precaution through these certifications. Likewise, the environmental management systems are verified by an external third party in companies representing a 97.7% the Group's turnover and, in 2021, 1.143 environmental audits.

Thanks to this environmental management and control framework, the ACS Group identifies the main impacts on the environment. In this regard, due to the Group's activity, it the consumption of natural resources, generation of greenhouse gas emissions, production of waste and the possible impact on biodiversity have been identified as key areas in the management of the company.

| Level of implementation of the environmental management systems in ACS Group companies (expressed as % of operations) | 2020 Rest* | 2021  |
|---|------------|-------|
| Implementation of ISO 14001 certification   | 86.2%      | 87.3% |

\* 2020 restated for the sale of Industrial Services and the 50% interest in Thiess.



### 5.1.1. THE FIGHT AGAINST CLIMATE CHANGE

Concern about the risks arising from climate change requires Governments and companies to be involved in contributing to a production and consumption model that is less carbon intensive.

As a global company, the ACS Group is aware of the important role it can play in the fight against climate change since the construction sector is considered to be one of the most carbon intensive. For this reason, the ACS Group has included the promotion of energy efficiency and reducing emissions in its business activities as one of its global objectives.

The basic principles governing the Group's actions in this area are included in the Group's Environmental Policy and focus on:

- Considering and assessing the climate change impacts of its activities, products and services.
- Minimising energy consumption and the emission of greenhouse gases generated by its activities.
- Establishing greenhouse gas emission reduction targets aligned with the latest trends and standards.
- Establishing mechanisms to manage the use of energy and emissions, to objectively measure performance and decision-making.
- Identifying opportunities to promote environmentally-friendly products and services, adapted to the potential impacts of climate change and that contribute to the transition to a low-carbon economy.

In 2021, the Group continued with the evolution of its reporting model to communicate information on risks and opportunities related to climate change. All of this in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), through the identification of the main risks arising from climate change and the setting of quantitative reduction targets in the short term that we will explain below.

#### GOVERNANCE

The Board of Directors of the ACS Group, as the highest governance body, is responsible for overseeing the overall climate change strategy. Through its functions, it approves the development of the policies required to meet the climate challenges of the business, leaving the Group companies responsible for developing their own management mechanisms depending on the type of activity and geographic area.

In addition, the ACS Group's Audit Committee is responsible for monitoring aspects related to climate change, as it has been given the function of supervising internal regulations, which includes the Sustainability Policy and the Environmental Policy, as well as managing financial and non-financial risks. The Committee's responsibilities include the ongoing review of the implementation and development of the Group's Environmental Policy, of the action plans, procedures and improvement programmes implemented by the Environmental Department of each one of the Group's divisions, with a special focus on climate change issues.

Within the Sustainability Master Plan 2025, the Group's governance structure was adjusted to the higher sustainability requirements, strengthening governance.

#### STRATEGY

To meet the challenges of the climate crisis, the ACS Group has given these issues more importance in the Group's governance and management model. In addition to the basic principles of action included in the Group's Environmental Policy, the approval of the Group's Sustainability Policy defines the fight against climate change and approval of the Sustainability Master Plan 2025 as one of the basic principles of action. This Plan was approved by the Board on 16 December 2021 to guide the priorities, commitments, strategic lines and targets of the ACS Group in relation to climate change. All aimed at anticipating and managing the risks arising from climate change, as well as identifying new opportunities with the development of new sustainable environmentally-friendly solutions.

Thus, within the Sustainability Master Plan 2025, the ACS Group has set itself three basic strategic lines in relation to its commitment to "Move forward climate neutrality to 2045":

- Implementing a climate strategy to move this climate neutrality forward to 2045.
- Advancing in the measurement of the carbon footprint and reducing scope 1 and 2 emissions by 2025.
- Strengthening the management of the risks arising from climate change through the implementation of international methodologies.

Each of the ACS Group companies is working on various initiatives and measures that help the Group follow this strategy and achieve these global targets set in the 2025 Sustainability Master Plan and following the guidelines set in the Group's Environmental Policy.

The ACS Group also has a risk management system that integrates financial and non-financial risks, including the risks associated with climate change. In this regard, the analyses arising from the risks to which the company is exposed are considered in both the company's decision-making and in the design of the ACS Group's strategy. For this reason, ACS has a strategy that allows it to operate in such a way as to ensure the resilience of its activity in the short, medium and long terms.

## MANAGEMENT OF RISKS AND OPPORTUNITIES RELATED TO CLIMATE CHANGE

In order to respond to the need for global and standardised risk management, the Corporate Unit has established a model which includes the identification, assessment, classification, valuation, management and follow-up of risks at the Group and operating division levels. When these risks have been identified, a risk map is prepared which is updated regularly based on the different variables involved and the types of activities in which the Group is involved.

The ACS Group's Risk Management System therefore identifies, assesses and updates the various risk scenarios following the categories of financial and non-financial risks faced by the Group. Likewise, the ACS Group has a General Risk Map that is updated on a regular basis, in which risks related to climate change have been identified based on their potential relevance for the company's activity, depending on the type of activity, action areas, policies and management approaches.

In keeping with its commitment to continuous improvement, the ACS Group continued to work on identifying and assessing specific risks related to climate change, applying a proven methodology, structured in the following phases:

**1. Comprehensive analysis of the internal Company documentation** (ACG Group policies, internal regulations, annual reports, risk analysis, etc. and documentation from external sources (reporting standards and best practices,

analysis of main comparators, analysis of regulatory requirements, shareholders, investors and other stakeholders).

**2. Preliminary identification of potential risks** arising from Climate Change that may occur in the short, medium and long term. The preliminary list of identified risks was carried out taking into account the recommendations of the Taskforce on Climate related Financial Disclosure. In total, 17 risks related to climate change were established with the ACG Group management, based on the different types of transition risks and physical risks.

**3. Assessment of the most significant risks** that may have implications for the Company, with a view to more exhaustive quantification in coming years. To estimate the residual risk, the assessment of the impact and residual probability for each of the risks, as well as the time space, were taken into account in the assessments.

In this way, various scenarios have been assessed, categorizing two types of risks:

- Physical risks: the risks that arise from the physical effects of climate change and environmental degradation. They can be classified as acute risks, if they arise from specific weather events that cause severe environmental damage, or as chronic risks if they arise from more progressive changes in climate patterns or a gradual loss of the environment.
- Transition risks: the risks arising from the social and economic changes that mark the change towards a low-carbon and more climate-friendly future. These risks are interconnected and their identification is important as regards stakeholders, especially investors, since inaction against these risks may have operational and financial consequences. These risks include legal, technological, market, and reputational risks.

The physical risks involve adapting to climate change in the infrastructure design and execution phases to ensure their resilience or reduced productivity in the event of adverse weather conditions. On the other hand, transition risks have a direct impact on the energy use model and prices for fossil fuels and raw materials.

The results obtained make it possible to identify the risks that may have a significant impact on the ACS Group, classified according to the probability of occurrence in the time horizon (short, medium and long term) and the associated impact. Significant risks have been defined as those considered to have an average or high probability in any of the time horizons considered in the scope of this analysis. It is important to consider that, in accordance with the risk management methodology, priority aspects are considered from a Group management perspective and, therefore, should not be understood as a list of weaknesses or threats that are not adequately covered.



| SHORT TERM (2025)  |  |                                       |
|--|--|---------------------------------------|
| Risk   | Definition of risk   | Categorisation                        |
| Increase in reporting obligations on performance in climate change                               | Demand for greater transparency in the reporting of environmental information, specifically on climate change (greater scope of CO2 emissions, measures taken to adapt to and mitigate climate change, etc.). The increased scope of the information to be reported entails the need for increased resources and systems to obtain information, monitor and control.   | Transition risks: legal               |
| Aumento del coste de las materias primas   | Increase in pressure on raw materials due to changes in supply, fuel and energy cost or lower availability of raw materials, which may lead to an increase in the Company's operational costs, profitability and competitiveness in the market.  | Transition risks: market risks        |
| MEDIUM TERM (2030)   |  |                                       |
| Risk   | Definition of risk   | Categorisation                        |
| Increase in the price of Greenhouse Gas Emissions  | An increasingly strict regulation to promote the transition to a decarbonised economy makes it possible to increase carbon taxes and/or costs of GHG emission allowances that must be taken into account in the investment strategies of companies. Likewise, the willingness to neutralise the Company's carbon footprint entails offsetting the emissions generated, leading to higher costs.  | Transition risks: legal               |
| Regulation of project and service specifications   | Regulatory changes in project specifications (source of materials, design, certifications, etc., mean adapting the volume of projects and services offered). The response to the new legal requirements entails the adaptation of production processes and value chain, with the potential reduction in production and profitability of the business.  | Transition risks: legal               |
| Transition costs to low-emission technology  | Increase in investment in low-emission technologies and associated R & D costs to adapt production models to climate change. Likewise, the commitment to a new type of technology may be failed and involve losses in the Company's solvency and increase its debt.  | Transition risks: technological       |
| Increase in financing cost   | Consideration of ESG aspects to determine the allocation of financing to companies may hinder their ability to obtain financing or increase their cost by requiring certain obligations related to the fight against climate change to be fulfilled.   | Riesgos de transición: reputacionales |
| Increase in severity and frequency of weather events   | Increase in the occurrence and severity of extreme weather events as a result of climate change fires, cyclones, tornadoes, droughts, floods, avalanches. These episodes may cause direct losses due to damage to the Company's employees, infrastructure or other assets. The increased occurrence of certain weather events also entails the need to adapt the resilience of the infrastructure developed by the Group, as well as the increase in the Company's environmental liability and associated risk premiums. | Physical risk: acute                  |
| LONG-TERM (2045)   |  |                                       |
| Risk   | Definition of risk   | Categorisation                        |
| Exposure to litigation and sanctions related to noncompliance with regulations on climate change | The increase in regulatory requirements arising from the fight against climate change increases the Company's exposure to possible litigation and sanctions for breach of legal obligations. Likewise, the occurrence of breaches may give rise to demands from third parties against ACS Group companies.   | Transition risk: legal                |
| Changes in stakeholder expectations or preferences   | Increasing stakeholder awareness of environmental issues may involve changing their behaviour and/or demand more sustainable, environmentally friendly services from the markets. This increases the pressure on the more carbon-intensive projects or services offered, leading to a reduction in demand.   | Transition risk: reputational         |
| Changes in rainfall and wind patterns  | Risks related to the availability of water such as water stress, hydrological variability, saline intrusion or changes in precipitation patterns (rain, snow or hail), as well as wind may pose serious problems to water supply or resilience of infrastructure that affect the operation of projects under construction, renewable energy generation and increased operating costs   | Physical risks: chronic               |
| Increase in average temperatures, thermal stress   | Increased temperature averages can lead to failures in machinery efficiency or the emergence of infectious diseases.   | Physical risks: chronic               |

The ACS Group bases this Risk Control System on a range of strategic and operational actions to mitigate these risks and meet the objectives set by the Board. Therefore, in the area of risks related to climate change, the main risk management and mitigation measures are defined by the commitments and basic principles of action defined in the Group's Environmental Policy, as well as in the strategic and objective lines defined in the ACS Group's Sustainability Master Plan 2025, which include:

- Implementing a climate strategy to move climate neutrality forward to 2045
- Reduction in scope 1 and 2 emissions by 2025 and 2030, as well as progress in measuring scope 3 emissions.
- Strengthening the management of the risks arising from climate change through international methodologies.
- Preventing and minimising environmental impacts through the objective of zero environmental incidents with severe damage and increasing environmental management systems certified under the ISO 14001 standard.
- Adapting the Group's governance structure to the highest sustainability requirements.
- Strengthening internal/external communication.
- Taking advantage of the new forms of sustainable financing provided by the market.
- Anticipating and compliance with regulatory requirements and better reporting standards.



Likewise, the ACS Group's leadership position in the infrastructure sector, as well as the actions carried out by the various ACS Group companies in the area of combating climate change, puts the Group in a position of competitive advantage to take advantage of the opportunities arising from climate change mitigation and adaptation activities.

In regard to the opportunities identified, the ACS Group has consolidated experience in the development of

environmentally friendly products and services, adapted to the impacts of climate change and contributing to the transition to a low-carbon economy. In 2021, the projects managed by HOCHTIEF and its Green Building and Green Infrastructure subsidiaries totalled approximately EUR 9,700 million in 2021 (compared to EUR 8,300 million 2020), while, in the Dragados Group, turnover of sustainable certification construction projects was 988 million.

One of the strategic lines in the ACS Group's Sustainability Master Plan is to guide the provision of sustainable solutions (design, materials, mitigation/adaptation to climate change, etc.) in the projects carried out by the Group, including the goal of achieving 45% of infrastructure sales in projects with sustainable certification by 2025.

The ACS Group also participates in the development of innovative applications in the field of transport, energy storage and mobility, as well as in the use of more efficient construction materials and processes within the framework of the fight against climate change.

Likewise, the data obtained by the ACS Group in a first European Union taxonomy analysis showed that activities are carried out in key sectors identified by the European Commission when contributing to the transition to a low-carbon economy and society.



## TARGETS AND MONITORING INDICATORS

To effectively monitor the commitment taken on by the ACS Group in relation to climate change, GHG emissions are monitored at all of the Group's levels. In fact, it is increasingly common among the Group companies to have their own carbon footprints certified by an independent external party.

In the interest of comparability, the 2020 data were restated with the same scope of consolidation as in 2021. Therefore, in comparable terms, despite the fact that in 2020 the impact of COVID-19 caused a sharp reduction in all levels of GHG emissions as a result of the decline in activity, in 2021 the effort and initiatives carried out by ACS Group companies were reflected in a 4.0% reduction in Scope 1 + Scope 2 emissions compared to 2020. Scope 3 emissions increased by 23.8% compared to 2020 due to increased mobility, increased activity and improved measurement. The evolution of the calculation of emissions in the last four years of the ACS Group is included below.

| <b>CO2 emissions (TCO2eq) (1)</b>                     |                  |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|
|   | 2018             | 2019             | 2020             | 2020 Rest*       | 2021             |
| <b>TOTAL ACS GROUP</b>                                | <b>6,368,019</b> | <b>5,993,456</b> | <b>4,804,804</b> | <b>2,575,911</b> | <b>3,064,708</b> |
| Scope 1   | 3,073,384        | 3,001,287        | 2,683,671        | 352,891          | 323,889          |
| Scope 2   | 265,501          | 277,291          | 183,375          | 92,466           | 103,637          |
| Scope 3   | 3,029,134        | 2,714,878        | 1,937,759        | 2,130,554        | 2,637,182        |
| <b>Emissions intensity (total emissions/sales)</b>    | <b>181.6</b>     | <b>158.6</b>     | <b>139.7</b>     | <b>96.2</b>      | <b>114.2</b>     |
| Scope 1 Emissions intensity (Scope 1 emissions/sales) | 87.6             | 79.4             | 78.0             | 13.2             | 12.1             |
| Scope 2 Emissions intensity (Scope 2 emissions/sales) | 7.6              | 7.3              | 5.3              | 3.5              | 3.9              |
| Scope 3 Emissions intensity (Scope 3 emissions/sales) | 86.4             | 71.8             | 56.4             | 79.6             | 98.3             |

\* 2020 restated for the sale of Industrial Services and the 50% interest in Thiess.

|   | 2020 Rest*       | 2021             |
|---|------------------|------------------|
| <b>Construction: total emissions</b>        | <b>2,552,634</b> | <b>3,043,479</b> |
| Scope 1 (2)                                 | 337,829          | 306,682          |
| Scope 2                                     | 86,135           | 101,966          |
| Scope 3 (3)                                 | 2,128,670        | 2,634,830        |
| Emissions intensity (total emissions/sales) | 101.4            | 121.1            |
| <b>Concessions: total emissions</b>         | <b>1,187</b>     | <b>1,748</b>     |
| Scope 1                                     | 946              | 1,524            |
| Scope 2                                     | 131              | 129              |
| Scope 3                                     | 109              | 95               |
| Emissions intensity (total emissions/sales) | 15.0             | 19.8             |
| <b>Services: total emissions</b>            | <b>22,091</b>    | <b>19,482</b>    |
| Scope 1                                     | 14,116           | 15,683           |
| Scope 2 (4)                                 | 6,200            | 1,542            |
| Scope 3                                     | 1,775            | 2,256            |
| Emissions intensity (total emissions/sales) | 14.5             | 12.1             |

(1) To calculate Scope 1 emissions, the conversion factors provided by Defra (Department for Environment, Food & Rural Affairs) for the different types of fuels reported in the report were used as a general reference. The Carbon Footprint conversion factors provided for the different geographic areas were used as a general reference for Scope 2 emissions. Within Scope 3, the conversion of employee travel was calculated using Defra's conversion factors for each type of transport as a reference.

(2) Construction includes HOCHTIEF and Dragados. HOCHTIEF includes all companies under operational control (excluding construction JVs). In HOCHTIEF, natural gas consumption is not included in the calculation of emissions since 2021 was the first reporting year.

(3) Scope 3 emissions include the emissions calculated for employee travel. In 2020 and 2021, HOCHTIEF included the emissions calculated in relation to the Supply Chain (Cement, Wood, Waste and Steel). In 2021, the increase in Scope 3 emissions was due to increased employee mobility and increased material consumption, factors that were affected by the pandemic in 2020. Efforts are also being made to improve the measurement of this data, including greater scope

(4) The reduction in Scope 2 emissions in Services was due to the purchase of renewable electricity with guarantees of origin.

The targets set by the Group in relation to climate change are those established in the 2025 Sustainability Master Plan, which establishes the following:

- Implementing a climate strategy to move climate neutrality forward to 2045
- Reduction of scope 1 emissions by 35% in 2030, with an intermediate reduction target of at least 15% by 2025.
- Reduction of scope 2 emissions by 60% in 2030, with an intermediate reduction target of at least 30% by 2025
- Expanding scope 3 by including relevant scope 3 categories to set quantitative reduction targets at 2030 by 2025.

The various companies are working on initiatives adapted to their activity to achieve the overall objectives of the ACS Group.

## INSTALLATION OF PHOTOVOLTAIC PANELS IN CENTRES MANAGED BY CLECE

In 2021, Clece made a firm commitment to solar energy through the installation of solar power panels in several centres managed by Clece. This energy was selected by the company for new buildings that must incorporate a renewable energy source by law, as was the case with two nursing homes that were completed in 2021: CleceVitam Pardo Bazán, in Vigo, and CleceVitam Carmen Conde, in Cartagena.

In addition, Clece has launched a project with an investment of more than EUR 300,000 to bring this technology to other centres, which resulted in three photovoltaic facilities in 2021. The first one was deployed in April at the children's school in Viator (Almería), where 45 panels with a peak capacity of 18 kW were installed to produce an annual electricity capacity of 32,018 kWh, which translates into savings of EUR 3,173 and a reduction in carbon dioxide emissions of 18,443 kg.

The second one was installed in June at the Virgen de las Angustias school in the municipality of Tabernas (Almería), where 64 solar panels with a peak power of 25.6 kW generate an annual energy of 46,598 kWh. Of this amount, 33,741 kWh is used for self-consumption, with annual savings of EUR 4,250. The rest of the energy is returned to the general electricity grid, becoming a source of revenue. All the energy generated by this facility represents a gas reduction of 17,242 kg of CO2 per year.

Thirdly, in July 2021, Clece installed 52 solar panels with a peak power of 24.3 kW at the San José de Bárcena nursing home in Carriedo (Cantabria), representing an annual energy performance of 21,364 kWh and savings of EUR 4,486 per year.

In 2022, the company will continue this project with the installation of photovoltaic panels in more locations. Five of these new facilities already have the approved budget and are being implemented or are being started at a sports centre (Tamarde, in Las Palmas de Gran Canaria), a children's school (Los Geranios, in Vícar, Almería) and three nursing homes (Ciudad de Adra, in Almería; Gerohotel, in Laguna de Duero, Valladolid; and Bañosalud, in Venta de Baños, Palencia).

Together, these five new facilities will add annual electricity of 380,000 kWh to achieve savings of EUR 40,600 per year.

## REDUCTION IN CO2 EMISSIONS IN WORKSITES (Dragados and Tecsá)

The sector 2 work by a Joint Venture (85% of which is constituted by Dragados and Tecsá), corresponding to the route of the Basque "Y" high-speed motorway, is in an outstanding natural environment, where we find the wetlands of Arkaute and Salburua, along with the surrounding oak forest, the Urumea and Zadorra rivers with their alder forests, the Ullibarri-Ganboa and Urrunaga reservoirs, Mount Udalaiz, the holm tree forests of Aramaiona, Kobate, Garagarza and Mazmela, and the oak and beech forests in the area where the Cantabric-Mediterranean basins diverge.

In this natural area, located between the provinces of Guipúzcoa and Biscay, the Joint Venture is building on of the segments, with 4 tunnels and two 2 viaducts. It was initially planned that all tunnels would be drilled with the help of power generators, since there was no electricity supply in the area.

In the first year of works, the consumption of diesel fuel associated with the power generators was very high, and, therefore, expecting the pace of the works to increase significantly in the coming years, it was decided that power would be supplied through a half-voltage underground line, with the approval of the Site Management.

After a strong economic investment, power started to be supplied to the works in November 2020. This measure, envisaged within the Environment Management System and the Energy Management System, has led to a reduction in greenhouse gas emissions of 2,696.6 tonnes of CO2 equivalent.

Since November 2021, the electricity supply has also been provided with a 100% renewable guarantee of origin, ensuring that from that date until the completion of the work, the Scope 2 emissions will be zero tonnes of CO2 equivalent.

## CARBON FOOTPRINT OFFSETTING (DRAGADOS AND VÍAS)

In 2021, both Dragados and Vías offset part of the the GHG emissions generated in 2020 as part of their commitment to fighting climate change. Therefore, 244 tonnes of CO<sub>2</sub> were offset by the two companies, which represents a significant increase over the last year, when 9 tons of CO<sub>2</sub> were offset.

This offsetting was carried out both nationally and internationally, not only with the idea of collaborating with Sustainable Development Goal 13 "Action for Climate" but also with other SDGs, such as Goal 12 "Responsible consumption and production" and Goal 15 "Life in earth ecosystems".

The national projects are located in the provinces of Burgos and Palencia, and they are certified by the Spanish Climate Change Office of the Ministry for the Energy Transition and the Demographic Challenge. Both projects aim mainly to recover the vegetation cover and maintain it, avoiding desertification, while increasing the biodiversity of the area and maximising CO<sub>2</sub> capture. Various native species have been planted, such as *Quercus pirenaica*, *Quercus ilex*, and *Pinus nigra hispanica*, shaping the future tree mass.

At the international level, it collaborated on two projects in Brazil and Peru. The former is the **MDL Santana I project** (Nortelândia, Brazil), which consists of the commissioning of a 14.75MW hydropower plant. The latter project, chosen by the Group's activity in this country, called **Cordillera Azul**, consists of mitigating deforestation in the Amazon by implementing conservation measures, in order to stop forest degradation due to illegal logging and promote sustainable forest management.

Both projects are supervised by the United Nations Framework Convention on Climate Change (UNFCCC).

Both initiatives also promote other environmental, social and economic benefits, such as:

- a. Conservation of water resources
- b. Improvement in water quality and access
- c. Protection and improvement of finite natural resources
- d. Preservation of biodiversity
- e. Control of soil erosion
- f. Flood prevention
- g. Support for economic development and stability in the region
- h. Improvement in the social welfare of the local community

In 2021, ACS Group companies carried out actions to reduce GHG emissions, with an estimated emission savings of 19,911.6 of tonnes of CO<sub>2</sub> in initiatives such as electricity supplies with a guaranteed renewable origin or vehicle replacement and substitution. For example, Clece ensures sustainable growth that helps to curb climate change through the use of energy from renewable sources that has already prevented the emission of some 7,645 tons of CO<sub>2</sub>; in the commitment to vehicles with a Zero or Eco distinctive, which already represent 25% of its fleet; in

the calculation or validation of the Carbon Footprint in 19 of its companies, which represent 72.4% of their turnover.

The ACS Group has also committed to minimising emissions other than Greenhouse Effect Gases (GHG) emissions, taking into account other pollutant gases (NO<sub>x</sub>, SO<sub>x</sub> or ozone-depleting substances), noise emissions and other possible disturbances arising from the activity such as light pollution.



## SUSTAINABLE CONSTRUCTION

One of the indirect impacts of the ACS Group's activity that can have the greatest impact on climate change is the operation of the infrastructure that is constructed. For this reason, the ACS Group promotes sustainable construction in its projects, following the main standards in this area.

Since 2000, a total 885 HOCHTIEF projects have been registered and certified according to different efficient-construction certifications. By type of certification, in Turner's constructions, the LEED standard predominates, while CIMIC uses the Australian Green Star Methodology of the GBCA (Green Building Council of Australia) and LEED. The main certifications used by HOCHTIEF Europe are DGNB, LEED and BREEAM.

Likewise, since 2013, 45 projects have been certified in terms of efficient infrastructure (CEEQUAL, ISCA and Greenroads). Likewise, in 2017, Dragados began to obtain certification for different construction projects certified under LEED and BREEAM, and over the last few years, the objective has been extended to infrastructure projects.

In 2021, through HOCHTIEF and its subsidiaries, the Green Building and Green Infrastructure projects managed totalled approximately EUR 9,700 million 2021 (compared to EUR 8,300 million 2020), while, in the Dragados Group, turnover of sustainable certification construction projects was 988 million in 2021 (compared to 664 million 2020). Thus, the consolidated sales figure for projects with sustainable certification in the Group's construction area amounted to EUR 10,688 million in 2021, which represents an increase of 19.2% compared to 2020.

| <b>GREEN BUILDINGS IN HOCHTIEF*</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021</b> |
|-------------------------------------|-------------|-------------|-------------|-------------|
| HOCHTIEF Americas                   | 632         | 647         | 676         | 703         |
| HOCHTIEF Asia Pacific               | 76          | 80          | 80          | 81          |
| HOCHTIEF Europe                     | 81          | 92          | 96          | 101         |
| <b>HOCHTIEF GROUP</b>               | <b>789</b>  | <b>819</b>  | <b>852</b>  | <b>885</b>  |

\*Accumulated number (from 2000) of Green Building certified constructed by HOCHTIEF

| <b>GREEN INFRASTRUCTURE IN HOCHTIEF**</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021</b> |
|---|-------------|-------------|-------------|-------------|
| HOCHTIEF Americas                         | 1           | 1           | 1           | 2           |
| HOCHTIEF Asia Pacific                     | 22          | 28          | 32          | 35          |
| HOCHTIEF Europe                           | 7           | 7           | 7           | 8           |
| <b>HOCHTIEF GROUP</b>                     | <b>30</b>   | <b>36</b>   | <b>40</b>   | <b>45</b>   |

\*\*Accumulated number (from 2013) of Green Infrastructure certified and registered constructed by HOCHTIEF

Construction of sustainable buildings classified as Green Building allows emissions to be reduced, during the project execution phase (which is carried out with sustainable materials, works contracts at regional level, etc.), as well as over the life cycle of the project. According to a study conducted by the US Department of Energy<sup>3</sup>, buildings with LEED certification consume 25% less energy and 11% less water than conventional buildings, while Australia's Green Building Council indicates in a study<sup>4</sup> that Green Star certified buildings reduce greenhouse gas emissions by

62% and water consumption by 51%. In addition, and as mentioned above, in the ACS Group companies, one of the fundamental pillars of the R & D area of Construction companies is the development of new material projects. The ultimate aim is to identify materials that promote the resilience of the infrastructure in response to increasingly extreme weather events resulting from climate change, as well as the reuse of materials and better use to reduce the consumption of raw materials.

<sup>3</sup> Source: "Re-Assessing Green Building Performance", September 2011.

<sup>4</sup> Source: "The Value of Green Star", 2013.

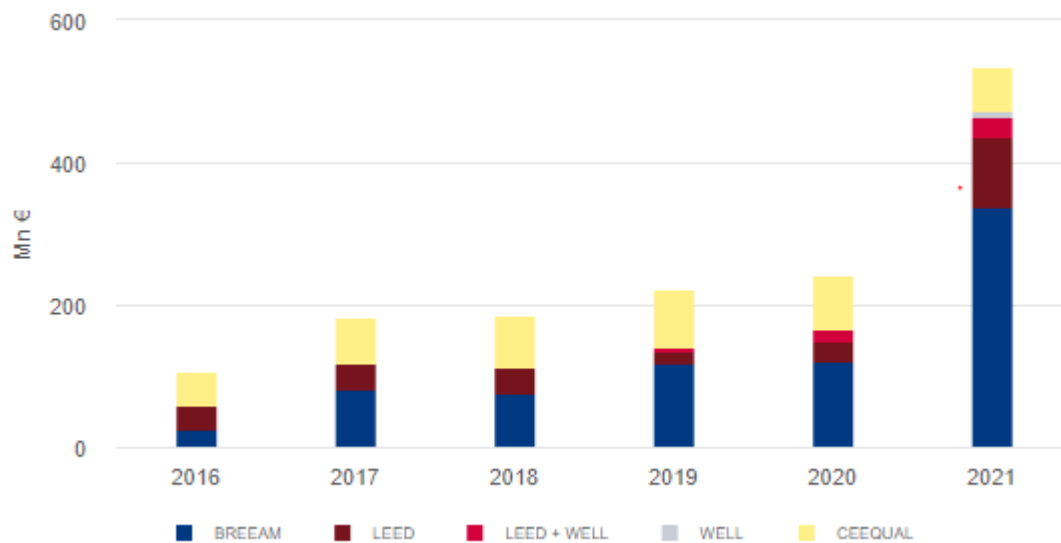
## SUSTAINABLE CONSTRUCTION IN DRAGADOS SPAIN AND THE UNITED KINGDOM

The number of projects, both construction and civil works, with some type of sustainable certification is growing year after year. In 2021, the Dragados Group had a total of 45 works in progress with LEED, BREEAM, WELL, ENVISION or CEEQUAL certification, the sales figure of which represented 22% of the Group's total sales compared to 15% in the previous year.

The evolution of the sales figure of Dragados, S.A. in sustainable construction projects in Spain and the United

Kingdom has grown exponentially in 2021, placing Dragados as one of the market leaders in this type of construction.. It should be mentioned that one of the projects executed in 2021, consisting of the construction of 2 office buildings, earned the best LEED BD+C CS V4 score in Spain and became part of the exclusive 3% of the buildings with the highest score in Europe. In addition to the LEED Platinum certification, it also earned the WELL Gold certification.

SALES OF SUSTAINABLE CONSTRUCTION IN DRAGADOS, S.A.  
(SPAIN AND UNITED KINGDOM)



## SUSTAINABLE INITIATIVES IN HIGH SPEED 2 PROJECT (DRAGADOS)

High Speed 2 (HS2) seeks to boost innovation and encourage a change in the UK construction industry. To this end, it has implemented a formal process to support innovation, backed by an innovation fund, the aim of which is to achieve more with less and generate less CO<sub>2</sub> and noise pollution.

As part of this huge HS2 project, Dragados is working at Euston Station in London and developing innovative activities that focus mainly on improving the design of the station and on technology to reduce CO<sub>2</sub> emissions, all driven by the Net Zero Carbon strategy.

These innovative activities at Euston Station being carried out by Dragados and its shareholders together with HS2 include the following:

- a. **CARES Cloud** : Creation of digital custody chains for steel reinforcement to improve its safety and traceability. This technology was tested in deep foundation work (piles).
- b. **HIPER Piling** : Work is being done on the use of a patented system of hollow piles as a way to reduce carbon emissions in projects. This product is being tested and applied in the real environment of Euston Station. The system consists of a hollow, printed, prefabricated pile with geothermal and reusable energy functionality, in which each item can act individually or in combination with others. This system makes it possible to optimise the design of structural foundations and provides a long-term sustainable and circular economy asset.
- c. **Power supply via Ethernet**: This technology combines a lighting and data transmission wiring system that makes it possible to reduce carbon emissions and the period for their installation. It also results in improved security due to a lower amount of work at a height.
- d. **Exoskeletons**: although exoskeletons have been implemented in other industrial sectors for several years, there are very few cases of use in construction. Their use is being considered for the placement of mechanical and electrical installations in the construction of tunnels to reduce fatigue, risk of injury and to improve productivity.
- e. **Scanning of patches**: Drace-Geocisa is in the process of developing an innovative solution for scanning with total automatic "hybrid" stations. This technology allows topographical instruments with scanning capabilities to be integrated with automatic monitoring systems through scanning "patches" defined on a surface rather than using a traditional prism. This offers a large number of benefits, including the reduction of the period to execute the work, and the decrease in jobs at a height.
- f. **DFMA (Design for Manufacturing and Assembly)**: the project team is researching innovative solutions for the supply chain through the early involvement of the contractor to develop products and processes and to maximise the use of prefabricated elements that will foreseeably culminate in developments financed by the HS2 innovation funds, which will entail a reduction in risk, work and the execution period.
- g. **HS2 Accelerator**: HS2 has a commissioning accelerator scheme that can help to more effectively perform some project tasks through the use of the innovative technologies developed. DRAGADOS collaborated on this initiative trying to apply the technologies of these startups where they can offer a benefit for the Euston project. A series of Working Groups have been established that focus on the topics of Net Zero Carbon and Health and Safety.

In addition, the Euston consortium has been working with HS2, the supply chain, and subcontractors and specialists in low-carbon concrete. The highlights of these works include:

- a. Achieving 67% cement replacement in a first phase of piling, which would mean a significant reduction in the project's CO<sub>2</sub> emissions.
- b. Research the currently proposed designs and the possibility of replacing cement as an alternative innovative solution.
- c. Research new concrete doses that make it possible to use them in projects with a useful design life of 120 years.
- d. Research with suppliers of prefabricated concrete elements the design and use of low-carbon concrete.



## ENERGY CONSUMPTION

Energy is one of the main resources used by the ACS Group companies and, as part of the fight against climate change, the ACS Group is committed to energy efficiency and renewable energy.

The Group's energy consumption is defined annually, to a large extent, based on the weight of the works carried out during the year since, given the Group's high degree of diversification, there are activities with greater energy intensity.

### ENERGY MEASUREMENT SOLUTION DEVELOPMENT (NEXPLORE)

This solution allows construction works to measure the use of energy at each individual consumption point so as to provide detailed reports and identify high use in real time. Energy meters are connected to a cloud platform on which data are stored, analysed and displayed on a control panel. Real time data on key parameters allow informed decisions to be made and more efficient workflows to be designed. The system provides a wide range of benefits for users, including the ability to detect unexpected energy consumption, energy and cost savings, the early identification of anomalies that can lead to power cuts, and the reduction of the report workload.

Energy consumption in 2021 decreased by 3.2% compared to the previous year in comparable terms.

Despite the increase in activity in 2021, after the project halting or delay caused by COVID-19 in 2020, the project

mix and measures carried out by the various Group companies have led to a 3.4% reduction in energy intensity.

In 2021 the ACS Group companies consumed 69,506,084 kWh from renewable energy sources.

| Energy Consumption (kWh) | 2018           | 2019           | 2020           | 2020 Rest*    | 2021                 |
|--------------------------|----------------|----------------|----------------|---------------|----------------------|
| <b>Total ACS Group</b>   | 12,088,601,722 | 12,669,431,610 | 11,258,837,840 | 1,663,427,356 | <b>1,609,495,948</b> |

\* 2020 restated for Industrial Services sale and Thiess' 50% participation

|  | 2020 Rest*    | 2021                 |
|--|---------------|----------------------|
| Construction (1)                                       | 1,548,724,865 | <b>1,495,987,106</b> |
| Concessions  | 4,604,867     | <b>6,999,124</b>     |
| Services   | 110,097,623   | <b>106,509,719</b>   |
| <b>Energy Intensity ACS Group (kWh/mn Euros Sales)</b> | <b>62,127</b> | <b>60,000</b>        |

(1) In 2021 calculations of Hochtief's natural gas consumption are included for the first time in the calculation



The different companies that form part of the ACS Group have developed investments and implemented measures to reduce energy consumption, with the implementation of LED lighting in the main projects, the implementation of

systems to control and optimise consumption and the replacement of equipment with less energy intensive equipment.

## INITIATIVES TO REDUCE THE DUBBO REGIONAL RAIL PROJECT (CIMIC)

Pacific Partnerships, UGL and CPB Contractors are part of the Momentum Trains consortium, which runs the \$1,260 million Regional Railway Project (PFR) for Transport for NSW (TfNSW) in Dubbo, New South Wales. As part of the project, CPB Contractors is building a new train maintenance facility in Dubbo, New South Wales, which will be used for the commissioning and maintenance of the new trains that will enter into service gradually as of 2023.

Sustainability was one of the priorities in the design of the maintenance facilities, with a strong focus on energy reduction. Key initiatives to minimise waste include the use of solar energy and non-drinking water.

At least 95% of the demand for low-voltage power required to power the maintenance facilities will be supplied by on-site solar technology. The rest of the electricity consumption will be offset by UGL through the purchase of renewable energy or carbon offsets. In total, it is estimated that 2.300 MWH of electricity will be offset each year, which is equivalent to an annual saving of 1,800 tonnes of carbon emissions.

For the first time in Australia, bimodal technology will also be introduced in the new regional train fleet, which will arrive as of 2023. Bimodal technology is a diesel-electric hybrid that will allow the fleet to operate with air energy when operating in the electrified section of the rail network. When outside the electrified grid, the train will use diesel electric multiple units (DEMUs) on board to generate its own electricity. The use of bimodal technology is estimated to reduce carbon emissions by more than 540 tonnes per year and diesel pollution by approximately three tonnes per year. It will also save more than \$2 million in diesel costs per year.

### 5.1.2. CIRCULAR ECONOMY: SUSTAINABLE USE OF RESOURCES AND WASTE MANAGEMENT

The promotion of a circular model that prioritises reducing and optimising the use of materials and efficient waste management is another one of the priority action areas of the ACS Group. Consequently, the ACS Group is working to:

- Minimise the impact in regard to use of materials and waste management, taking into account the life cycle of projects and services.
- Promote the use of environmentally responsible materials in accordance with the best practices outlined in the Group's Building Materials Policy.
- Give priority to operating models to reduce resource consumption and waste generation, in terms of both quantity and hazardousness.
- Contribute to extending the usefulness of resources, secondary products and waste through repair, reuse and recycling.
- Identify business opportunities to contribute to the circular economy through activities, products and services.



## CONSUMPTION OF MATERIALS

The ACS Group specifically promotes the use of recycled and/or certified construction materials, offering clients these types of options when making decisions regarding the materials to be used.

In order to encourage the use of sustainable materials among the Group companies, the Group has a **Building Materials Policy** that establishes guidelines and best practices in this regard.



For further information:  
[Materials policy](#)

## MATERIALS POLICY

The ACS Group seeks to implement the following best practices in the process of recommending construction materials to clients in tendering processes in which it is applicable:

1. Propose a traceability analysis of 100% of products used.
2. Keep a record of suppliers who offer recycled/certified products.
3. Stress the importance of aspects such as durability and maintenance when selecting construction materials.
4. Provide information about the characteristics of products which give off gases or contain harmful substances and also about the products' life cycles.
5. When making an offer or taking part in a bid to tender, always include the option of certified timber, and offer information on the environmental benefits of its use.
6. When making an offer or taking part in a bid to tender, always include the option of cement made from recycled aggregates, and offer information on the environmental benefits of its use.
7. Provide environmental details of the proposed construction materials, such as energy used by machinery during extraction or treatment, greenhouse gas emissions, etc.
8. Report on the corporate waste management policy.
9. Provide information on waste management plans in projects, including design phases.
10. Give information on specific targets to reduce, recycle and reuse waste.
11. Report on procedures in place for the recovery and recycling of construction materials by subcontractors.
12. Give details of staff and subcontractor training processes in waste management techniques.
13. Provide details of waste separation processes in project facilities and works.
14. Actively promote the purchase and sale of recycled by-products.



## CARBON NEUTRAL CONCRETE (CPB CONTRACTORS)

In the new train maintenance facilities of the Regional Railway Project in Dubbo, in New South Wales, CPB Contractors has adopted the use of the new carbon-neutral pre-mixed concrete product offered by the concrete supplier Holcim. The product, known as "ViroDecs Zero", was placed on the market in April 2020. ViroDecs Zero was certified by Climate Active, a program managed by the Australian Federal Government. The certification allows Holcim to offset the built-in carbon associated with the supply of its pre-mixed concrete products. When a project makes use of this option, an additional charge is paid as part of the pre-mixed concrete supply that allows Holcim to buy the associated carbon offsets. Recognising the sustainability benefits of ViroDecs Zero, CPB Contractors has worked closely with Holcim to determine whether this opportunity would be in line with the cost limitations of the project and, finally, this option was taken. The main benefit in terms of sustainability of the use of this concrete product is the reduction of the greenhouse gas (GHG) footprint in the project. CPB Contractors calculated that approximately 9,000 m<sup>3</sup> of pre-mixed concrete would be needed to build the maintenance facilities, with an associated GHG footprint of some 2,900 tCO<sub>2</sub>-e and these GHGs can now be offset.

## CONCRETED I + D PROJECT (NEXPLORE)

This system developed by Nexplore connects users at all stages of the concrete life cycle, accelerating the concreting process and, therefore, improving also the often poor carbon footprint of existing processes, which is due to errors and the lack of real-time data and accurate information. It offers a centralised platform to connect all participants to the order and delivery of concrete, and allows real-time communication, as well as the exchange and central storage of data through integration with other third-party software solutions. The tool also eliminates sources of error and speeds up the process by reducing manual intervention.

The main materials used by the ACS Group, mainly due to the infrastructure activity, are wood, steel, concrete and glass. In 2021, the reactivation of the activity increased the use of these materials. However, the Group continued to implement measures to ensure the efficient use of its activities and the development of R & D projects focused on this objective.

Similarly, one of the commitments defined in the Sustainability Master Plan is to promote resource optimisation by promoting the durability of construction materials. To this end, the various ACS Group companies are promoting life cycle analysis in infrastructure and building projects through digitalisation and new technologies to improve efficiency in terms of the materials used and to improve their useful lives.

| <b>(301-1) Total materials used</b> | <b>2020</b> | <b>2021</b> |
|-------------------------------------|-------------|-------------|
| Total wood purchased (m3)           | 1,162,492   | 3,031,227   |
| Total steel purchased (t)           | 456,053     | 558,038     |
| Total concrete purchased (m3)       | 4,555,262   | 4,659,934   |
| Total glass purchased (m2)          | 83,400      | 114,247     |

## SIDNEY METRO PROJECT RECYCLING (CPB CONTRACTORS AND UGL)

The Sydney metro is committed to resource efficiency and places particular emphasis on the efficiency of materials, as well as waste recovery, reuse and recycling in projects. CPB Contractors and UGL, as part of the consortiums implementing this project, support the customer in achieving their objectives for this project. Some of the highlights of the project are as follows:

- Reduction of the environmental footprint of the materials used in the project by at least 15% compared to the usual situation.
- Use of concrete with an average level of replacement of Portland cement greater than 25%.
- Beneficial reuse of 100% of useful debris.
- Recycling or reuse of 90% of the recyclable construction and demolition waste.
- Recycling or reuse of 60% of office waste during the construction phase.
- 60% of the steel reinforcement produced using energy reduction processes in manufacture.
- Procurement of 100% reused, recycled or sustainable wood.

## WASTE PREVENTION AND MANAGEMENT

Waste management in the ACS Group prioritises recycling, reuse or other recovery operations over landfill disposal, in order to minimise as much as possible the waste generated when carrying out its activity. Specifically, the ACS Group is working to reintroduce the products used in the production process to enable them to be used again as raw materials, minimising the impact of the business on the environment.

The waste is managed by each of the Group companies in accordance with the regulations in force in each country. The installations have the corresponding authorisations for producers of hazardous waste, which enable them to be recorded, inventoried, stored and managed. Based on the aforementioned prioritisation of waste management, the waste is handed over to authorised waste managers.

The 2020 data were restated to make them comparable to 2021, taking into account both the sale of the Industrial Services division and the 50% share in Thiess (which is no longer consolidated due to global integration), as well as the increase in the scope of the indicators and the inclusion for the first time of the land registration in the Vias Group. Throughout 2021, a total of 18,295,410 tonnes of hazardous and non-hazardous waste were generated, which represents an increase of 12.2% compared to 2020 due mainly to the increase in activity and a certain type of

more intensive projects in earthworks. Thus, the increase in waste generated in recent years comes mainly from the waste generated (land/rocks) due to the increase in the activity of projects with road tunnelling machines or railway projects. It should be noted that this soil is fully reusable as filler in other projects. The total volume of waste generated year to year is directly related to the type of projects executed throughout the year, despite the measures to minimise waste that are implemented year after year by the Group.

The ACS Group has a strong commitment to the circular economy, prioritising the recovery and minimisation of waste not destined for landfill as the strategic line of the Sustainability Master Plan. Therefore, in 2021 the rate of non-hazardous waste destined for recovery operations was 84.5%. This confirms the Group's efforts to prioritise recycling or reuse compared to other waste disposal methods as a sign of the commitment to the circular economy. Lastly, in 2021 an effort was made to report information related to waste in accordance with the most demanding standards, presenting the data broken down by method of disposal, if it is carried out inside or outside the facilities, or providing for the first time a breakdown of the main waste generated.

|                         | 2018       | 2019       | 2020       | 2020 Rest* | 2021       |
|-------------------------|------------|------------|------------|------------|------------|
| <b>ACS Group</b>        |            |            |            |            |            |
| Non-hazardous waste (t) | 17,310,934 | 12,669,950 | 15,713,510 | 15,941,779 | 17,894,515 |
| Hazardous waste (t)     | 42,717     | 130,343    | 389,150    | 358,311    | 400,895    |

\* 2020 restated for the sale of Industrial Services and the 50% interest in Thiess.

| ACS Group Waste breakdown by activity | 2020 Rest* | 2021       |
|---------------------------------------|------------|------------|
| <b>Construction</b>                   |            |            |
| Non-hazardous waste (t)               | 15,931,054 | 17,872,961 |
| Hazardous waste (t)                   | 358,139    | 400,756    |
| <b>Concessions</b>                    |            |            |
| Non-hazardous waste (t)               | 101        | 132        |
| Hazardous waste (t)                   | 2          | 1          |
| <b>Services</b>                       |            |            |
| Non-hazardous waste (t)               | 10,624     | 21,422     |
| Hazardous waste (t)                   | 170        | 138        |

| ACS Group Waste breakdown by operations (t) | 2020 Rest*       |                   |                   | 2021             |                   |                   |
|---|------------------|-------------------|-------------------|------------------|-------------------|-------------------|
|   | Onsite           | Offsite           | Total             | Onsite           | Offsite           | Total             |
| <b>Hazardous waste (t)</b>                  | <b>409</b>       | <b>357,903</b>    | <b>358,311</b>    | <b>97</b>        | <b>400,798</b>    | <b>400,895</b>    |
| <b>Waste not for disposal per operation</b> | <b>22</b>        | <b>151,794</b>    | <b>151,816</b>    | <b>11</b>        | <b>208,752</b>    | <b>208,763</b>    |
| Reuse                                       | 1                | 28,118            | <b>28,119</b>     | 6                | 29,057            | 29,062            |
| Recycling                                   | 22               | 123,630           | <b>123,651</b>    | 5                | 179,620           | 179,626           |
| Other recovery operations                   | 0                | 46                | <b>46</b>         | 0                | 75                | 75                |
| <b>Waste for disposal per operation</b>     | <b>387</b>       | <b>206,109</b>    | <b>206,495</b>    | <b>86</b>        | <b>192,046</b>    | <b>192,133</b>    |
| Incineration with energy recovery           | 0                | 762               | <b>762</b>        | 0                | 13,738            | 13,738            |
| Incineration without energy recovery        | 0                | 2                 | <b>2</b>          | 0                | 24                | 24                |
| landfill                                    | 386              | 148,683           | <b>149,070</b>    | 86               | 178,211           | 178,297           |
| Other disposal operations                   | 0                | 56,661            | <b>56,661</b>     | 0                | 73                | 73                |
| <b>Non-hazardous waste (t)</b>              | <b>3,428,323</b> | <b>12,513,456</b> | <b>15,941,779</b> | <b>1,004,501</b> | <b>16,890,013</b> | <b>17,894,515</b> |
| <b>Waste not for disposal per operation</b> | <b>2,545,096</b> | <b>11,293,412</b> | <b>13,838,508</b> | <b>887,481</b>   | <b>14,235,815</b> | <b>15,123,296</b> |
| Reuse                                       | 2,537,766        | 8,569,804         | <b>11,107,570</b> | 873,832          | 11,754,372        | 12,628,204        |
| Recycling                                   | 5,661            | 2,508,622         | <b>2,514,283</b>  | 8,426            | 2,263,646         | 2,272,072         |
| Other recovery operations                   | 1,669            | 214,986           | <b>216,655</b>    | 5,223            | 217,797           | 223,021           |
| <b>Waste for disposal per operation</b>     | <b>883,227</b>   | <b>1,220,044</b>  | <b>2,103,270</b>  | <b>117,019</b>   | <b>2,654,198</b>  | <b>2,771,218</b>  |
| Incineration with energy recovery           | 0                | 2,747             | <b>2,747</b>      | 0                | 49,532            | 49,532            |
| Incineration without energy recovery        | 0                | 6,567             | <b>6,567</b>      | 0                | 11                | 11                |
| landfill                                    | 883,227          | 1,208,729         | <b>2,091,956</b>  | 117,018          | 2,551,032         | 2,668,050         |
| Other disposal operations                   | 0                | 2,001             | <b>2,001</b>      | 2                | 53,623            | 53,624            |

In 2021, the ACS Group began collecting information on the breakdown of waste by composition. Since it was the first reporting year, the information for 2021 is presented, as there were no consolidated data available for the previous year.

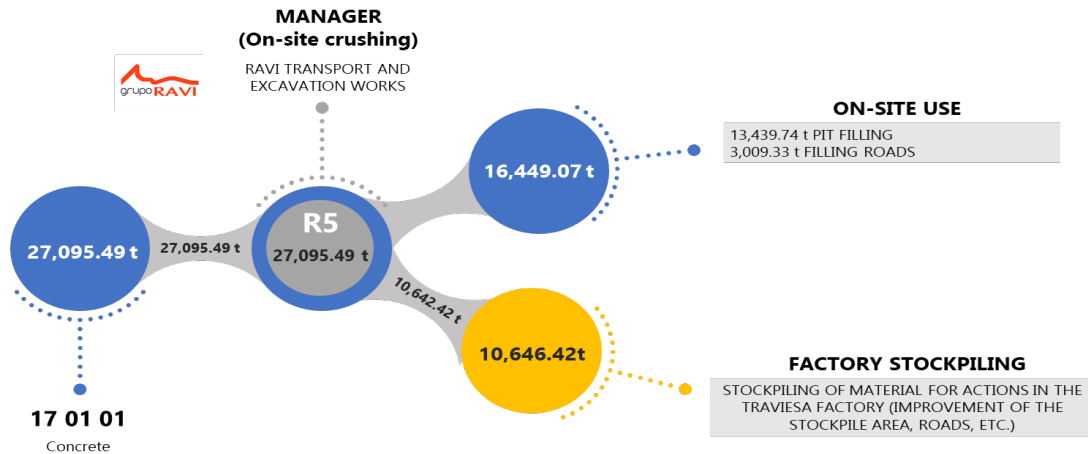
| ACS Group Waste breakdown by composition (t) | 2021                           |                            |                   |
|--|--------------------------------|----------------------------|-------------------|
|  | Waste non-directed to recovery | Waste directed to recovery | Waste generated   |
| <b>TOTAL</b>                                 | <b>2,963,350</b>               | <b>15,332,059</b>          | <b>18,295,409</b> |
| Mineral waste                                | 2,268,628                      | 3,688,863                  | 5,957,491         |
| Construction waste                           | 91,255                         | 130,689                    | 221,944           |
| Others                                       | 603,467                        | 11,512,507                 | 12,115,974        |

## ZERO WASTE (DRACE GEOCISA)

Based on the suitability needs of the Sagunto Factory facilities, which involved the performance of various demolition, improvement and modernisation actions, it was decided to implement a Waste Management Plan for these actions that includes significant measures aimed at the prevention and minimisation of the potential waste generated in them.

The main waste generated during the fitting out of the facilities was: Concrete, CDW mix, and Iron and steel.

The actions carried out include:



As a result of the actions, 98.86% of the waste generated was recovered, which was verified by the accredited external entity AENOR, which issued its "Waste Zero. Certification of the Waste Management Traceability System".



### 5.1.3. EFFICIENT AND RESPONSIBLE USE OF WATER RESOURCES

The ACS Group is aware of the importance of water in its activities. Through its Industrial Services business, which develops water desalination, drinking water treatment and filtering infrastructure, the ACS Group contributes to guaranteeing access to clean water and improving waste water quality.

The management and monitoring of these indicators allows the Group to identify those places where the use of water generates a greater impact on the environment, with the firm goal of performing its activity in a sustainable and environmentally friendly manner.

| ACS Group Breakdown of water (withdrawal-discharge) (1)  | 2020 Rest*       | 2021              |
|--|------------------|-------------------|
| <b>Total water withdrawn (m3)</b>  | <b>9,867,471</b> | <b>12,632,963</b> |
| Volume of water withdrawn from surface water (rivers, wetlands, lakes) (m3)  | 910,607          | 672,093           |
| Volume of water withdrawn from groundwater (m3)  | 3,292,073        | 3,189,370         |
| Volume of water withdrawn from third parties (municipal network, processing plant or public or private service) (m3)         | 5,664,276        | 6,035,439         |
| Volume of water withdrawn from marine waters (m3)  | 515              | 3,061             |
| Volume of rainwater (m3)   | 0                | 2,733,000         |
| <b>Total water withdrawn in water stress areas (m3)</b>  | <b>2,415,531</b> | <b>3,231,638</b>  |
| Volume of water withdrawn from surface water (rivers, wetlands, lakes) in water stress areas (m3)                            | 129,335          | 22,243            |
| Volume of water withdrawn from groundwater in water stress areas (m3)  | 248,038          | 695,601           |
| Volume of water withdrawn from third parties (municipal network, processing plant, etc.) in water stress areas (m3)          | 2,038,022        | 2,513,795         |
| Volume of water withdrawn from marine waters in water stress areas (m3)  | 137              | 0                 |
| <b>Total water discharged (m3)</b>   | <b>7,327,052</b> | <b>6,772,698</b>  |
| Volume of water discharged into surface water (rivers, wetlands, lakes) (m3)   | 4,958,403        | 4,801,347         |
| Volume of water discharged into groundwater (m3)   | 240,100          | 402,416           |
| Volume of water discharged into third-party waters (municipal network, processing plant or public and private services) (m3) | 2,037,691        | 1,534,619         |
| Volume of water discharged into marine waters (m3) (1)   | 90,858           | 34,316            |
| <b>Total water discharged in water stress areas (m3)</b>   | <b>2,257,376</b> | <b>3,179,722</b>  |
| <b>Consumption (m3)</b>  | <b>2,540,419</b> | <b>5,860,265</b>  |
| Ratio: m3 of water consumed/ turnover  | 94.9             | 218.5             |
| <b>Consumption in water stress areas (m3)</b>  | <b>158,156</b>   | <b>51,916</b>     |

\* 2020 restated for the sale of Industrial Services and the 50% interest in Thiess.

(1) Most of the water discharged to marine waters is due to the Hampton Road project in Virginia Bay. The difference between the water discharged between 2020 and 2021 is due to the project being in a different phase of development.





The activities carried out by the ACS Group are associated with significant water consumption, particularly in the area of construction, and in 2021 the total amount of water consumption reached 5,860,265 m3.

As is the case with other environmental indicators, the increasing trend in water consumption that the ACS Group has experienced in recent years is explained, in part, by increased turnover and the type of projects carried out over the course of the year, which could distort the effect of the measures implemented to promote the efficient use of water resources.

The company acknowledges the need to reduce consumption of this natural resource, especially in areas that are subject to water stress. For this reason, beginning

in 2019, the ACS Group has been monitoring water consumption corresponding to water stress areas, accounting for 51,916 m3 of the total water consumption in these areas in 2021.

In this sense, the ACS Group has adequate measurement systems (at the project, company and corporate levels), permitting detailed knowledge of the main sources of consumption. This information makes it possible to develop the most suitable efficiency measures in each case.

It should also be noted that the ACS Group also performs exhaustive control on the quality of the water discharged into the environment, in order to ensure that the discharges do not have significant effects on the environment and always comply with the provisions in local legislation.

## CONTROLS FOR THE MANAGEMENT OF WATER QUALITY IN PROJECTS (CIMIC)

Cimic is the main party responsible for water consumption within the ACS Group. Approximately 85% of it was generated by this subsidiary in 2021: therefore the processes it carries out to minimise its consumption and analyse any potential impact are crucial.

Before starting the relevant works, adequate controls are applied to minimise water use and potential impacts on water quality, to ensure compliance with regulations and to reduce risk. The removal of danger is the first control preference, followed by engineering and then administrative controls. The typical controls used in the projects include (but are not limited to):

- Ensuring that all risks to soil and water are taken into account as part of the development of the Construction Area Plans and the Work Packages.
- The Plans for Erosion and Sediment Control (PESCs) are developed by a duly qualified individual in consultation with the construction team.
- Erosion and Sediment Controls (ESCs) are designed (stability, location, type and size), built, operated and maintained in accordance with the relevant local guidelines, and approved by the Project's Environmental Representative and the Work Supervisor.
- ESCs are installed prior to (or immediately after) any changes in vegetation or soil. These controls remain in place until the replanting, stabilisation or hard scarification occurs.
- Water bearing sediments (dirty water) caught on site is preferably reused, for example for dust control.
- Water transfers/movements the work site and its discharge are carried out in accordance with the project drainage procedure/drainage permit.
- The amount of water consumed in the project from each of the following sources is reported monthly:
  - Drinking water,
  - Water obtained under an extraction license or from another regulatory authority,
  - Recycled water from outside the project.
- All hazardous substances (liquid and solid) are stored and managed in accordance with the AS1940 standard.
- Opportunities are continuously sought to minimise the use of drinking/fresh water and will be taken as appropriate.

Contingency planning to avoid spills also includes the supervision of planned flood events and the removal of the plant, equipment, fuels and chemicals from the flood-prone area.

## 5.1.4. PROTECTION OF BIODIVERSITY

The activities of the ACS Group are potentially capable of causing impacts on the natural environment when operating in all types of locations and environments where a multitude of ecosystems may coexist. In this context, the company always attempts to minimise the impact of its activities on biodiversity, particularly respecting protected natural areas and areas with high ecological value.

As a result of this commitment, the Group carries out its activities according to the following basic principles in the area of biodiversity:

- Consider the initial value of the ecosystems that may be affected and assess the impact of the activities, products and services on them.
- Apply the hierarchy of mitigation of impact on ecosystems by means of prevention, reduction, restoration and compensation actions.
- Implement management plans to preserve or restore biodiversity in activities or services that have a significant impact on ecosystems.
- Establish non-action criteria to avoid performing activities or services in certain areas based on their intrinsic value or vulnerability. In this regard, in 2021, the Group carried out activities on 720.7 hectares considered to be of high biological value, implementing specific objectives and plans to minimise the impact.

The ACS Group has implemented measures that ensure the conservation of plants and wildlife from the start of planning the operations to the end. These measures are based on:

- a. Physical protection, transplanting or transfer, as well as respect for the life cycles of the plant and animal species affected.
- b. Environmental impact studies, which identify the main effects on the natural environment of the projects and establish actions to minimise them. Public participation in procedures to approve these projects is guaranteed by the national and regional legislation in each of the countries where they are carried out.
- c. Supervision plans which guarantee compliance with the preventive measures and reduce the impact of projects and processes not subject to environmental impact assessments.
- d. Compensation, restoration, recovery and reforestation activities. In 2021, the ACS Group carried out work on 19.4 hectares.

### AVIAN NESTING MITIGATION (DRAGADOS CANADA)

The Gordie Howe International Bridge (GHIB) project is committed, within its sustainability strategy, to environmental protection, including measures to mitigate the impact on local bird fauna, in the areas of influence of the construction of the Bridge and the Port of Entry (POE).

Environmental monitoring of the areas is carried out daily to identify potential risks to wildlife. Some of the mitigation strategies include the following:

- Bird specialists sweep areas to detect birds, nests, eggs and brood before construction activities begin in new areas or locations that have been inactive for extended periods.
- When a nest is found, the environmental technicians (under the supervision of the Bird Specialist) implement the specific mitigation for the species around the nest to ensure that there is no disruptive activity within the nesting area.
- A wildlife event form is completed and is included in the identified Wildlife document.

Although these strategies work very well in protecting nests, the best possible approach is ideally to prevent birds from nesting within the limits of the project. For this reason, a transfer plan has also been implemented. The use of falconry for bird control is faster and lasts longer compared to other deterrent methods. The project actively uses several birds of prey in the area as a tactic to scare away other bird species. Falcons are safer and can be used for much longer than dogs in this project, as they fly well above trucks and heavy construction equipment, and thus are not affected by the daily activities of the project.

## 5.1.5. ENVIRONMENTAL RISK MANAGEMENT

The functions attributed to the Audit Committee of the Group's Board of Directors include the review, monitoring and assessment of the Group's Sustainability Policy, as well as the supervision of the Group's Environmental Policy.

Secondly, the responsibility of overseeing environmental performance and carrying out the appropriate action plans and improvement programmes lies with the Environmental Department of each group of companies, along with adopting the necessary measures to reduce and mitigate the environmental impacts related to the Group's activities, always following the principles established in the Group's Environmental Policy.

Likewise, in accordance with the Group's risk map and materiality analysis, both updated in 2021, the Group has prioritised the risks based on their potential relevance for the company's activity, depending on the type of activity, action areas, policies and management approaches.

The table below shows the results obtained from this prioritisation of potential risks to perform the activity related to the environment, as well as the management measures adopted by the ACS Group:

| MATERIAL ISSUE  | RISKS  | DETECTION, PREVENTION, MANAGEMENT AND MITIGATION MEASURES  | ASSOCIATED MANAGEMENT INDICATORS   | APPLICABLE ACS GROUP POLICIES  |
|---|--|--|--|--|
| Climate change: transition to a low-carbon business model | <p>Companies face the need to design appropriate strategies to address climate change. While most companies focus on the risks associated with climate change, some seek to identify and take advantage of the business opportunities associated with this global challenge. The ACS risk map identifies the specific risks related to climate change (physical and transition risks) based on the relevance they may have for the development of the company's activity.</p> <p>Related risk Map of risks Climate change and energy efficiency Risks</p> <ul style="list-style-type: none"> <li>• Increase in cost overruns</li> <li>• Reputation risks</li> <li>• Regulatory restrictions and sanctions</li> </ul>   | <p>The Environmental Plan and the Group's Sustainability Master Plan define the commitment and objectives to reduce emissions and use of resources. The ACS Board of Directors has overall responsibility for the climate change strategy through the Audit Committee, which is responsible for monitoring the ACS Group's sustainability policy.</p> <p>In 2021, the Company set targets linked to the variable remuneration of the Executive Directors in relation to performance on climate change.</p> <p>Each company is responsible for keeping an inventory of emissions, identifying main sources and developing initiatives to reduce them.</p> <p>The Group offers its customers construction products and services that help to promote the transition to a low-carbon economy.</p> | <p>-4.0% decrease in scope 1 + scope 2 emissions compared to the previous year in comparable terms</p> <p>Consumption of renewable energies: 69,506,084 kwh</p> <p>Development of business opportunities such as Green Building projects</p> <p>In 2021, the Group continued with the evolution of its reporting model to be able to communicate information on risks and opportunities related to climate change in accordance with the recommendations of the Task Force on Climate-Related Financial Disposals (TCFD), which was recognised in the 2025 ACS Group's Sustainability Master Plan approved last December 2021, the commitments, strategic lines and targets for climate change mitigation have been established.</p>   | <ul style="list-style-type: none"> <li>• The ACS Group's Social Action Policy</li> <li>• The ACS Group's Code of Conduct</li> <li>• Code of Conduct for Business Partners</li> <li>• Human Rights Policy</li> <li>• Environmental policy</li> <li>• Risk Control Policy</li> </ul> |
| Environmental management                                  | <p>Companies both rely on and impact the natural environment. Therefore, the mitigation of impacts on biodiversity and natural resources is indispensable during the development of the Group's projects and operations, establishing an assessment of ecosystem services that affect the company.</p> <p>The conservation and protection of biodiversity has become one of the main environmental challenges faced by companies. The natural environment is one of the main allies in the fight against climate change, in addition to being a support for the economy, providing the natural resources on which the company's activity is based:</p> <p>Associated risks Risk Map Risks of fines and sanctions, reputational risks, and Biodiversity risk.</p> <p>Risks</p> <ul style="list-style-type: none"> <li>• Loss of ecosystem services</li> <li>• Reduction in economic growth</li> <li>• Statutory breach</li> <li>• Litigation and environmental sanctions</li> </ul> | <ul style="list-style-type: none"> <li>• Continuously improve the environment, implementing an environmental management system to ensure compliance with policies, setting and monitoring objectives.</li> <li>• Assess the potential risks to the environment in each of the phases of a project, work or service, with the aim of designing processes that make it possible to minimise the environmental impact.</li> <li>• Promote training and awareness of employees in environmental aspects.</li> <li>• Promote actions aimed at increasing awareness among clients, value chain and society in general.</li> <li>• Carry out all activities of the ACS Group in accordance with current environmental legislation.</li> </ul>   | <p>In 2021, 87.3% of the turnover of the ACS Group was approved under the ISO 14001 standard. The environmental management systems are verified by an external third party in companies representing a 97.68% the Group's turnover and, in 2021, 1,143 environmental audits were conducted.</p> <p>In 2021 there were 5 significant infringements of environmental legislation and regulations, understood as non-compliance that entails a fine greater than EUR 10,000. Thus, in 2021, the CIMIC Group company, CPB Contractors, recorded 5 fines for environmental incidents for a total of EUR 79,441 (NZ \$ 133,000) for incidents in 2019.</p> <p>In accordance with Note 37 on Information on the Environment of the Annual Accounts of the ACS Group, ACS Group companies incurred environmental expenses in 2021 totalling EUR 6,943 thousand (EUR 2,044 thousand in 2020), and according to Note 20 of the Annual Accounts, the provisions for environmental actions are included in non-current provisions, which include provisions to cover the probable environmental risks that may arise, with no provision of this nature included in the accounts in 2021. The Group companies manage environmental risk coverage through different systems depending on their activity and geographic area and in accordance with their own environmental management systems.</p> | <ul style="list-style-type: none"> <li>• Environmental Policy.</li> <li>• Sustainability Policy.</li> <li>• Risk Control Policy.</li> </ul>  |

| MATERIAL ISSUE   | RISKS  | DETECTION, PREVENTION, MANAGEMENT AND MITIGATION MEASURES   | ASSOCIATED MANAGEMENT INDICATORS   | APPLICABLE ACS GROUP POLICIES   |
|--|--|---|--|---|
| Circularity in the procurement of construction materials and in waste management | <p>The incorporation of the concepts of circularity into the production model makes it possible to reduce the intensive use of natural resources and the high pressure on the environment. Likewise, the optimisation of resources increases operational and financial efficiency, in addition to reducing the waste generated</p> <p>Related risk Map of risks Efficient use of resources and circular economy Risks</p> <ul style="list-style-type: none"> <li>• Failure to comply with the ACS environment policy</li> <li>• Reputation risks</li> <li>• Statutory breach</li> <li>• Inefficient use of raw materials or conflict minerals</li> <li>• Increase in production costs</li> </ul>   | <p>The Environmental Policy and the Group's Sustainability Master Plan define the commitments to encourage the use of recycled construction materials, their durability and efficient waste management.</p> <p>Within the objectives established in the Sustainability Master Plan, it was established to promote life cycle analysis in infrastructure and building projects, exceeding 200 projects with this analysis by 2025. Likewise, it was established to maintain a waste rate for recycling in excess of 80%. In addition, companies that represent 97.3% of the ACS Group's sales have a specific plan to encourage the use of recycled construction materials.</p>  | <p>ACS Group companies participate in various R &amp; D projects related to durability and efficiency in the use of construction resources and materials.</p> <p>Waste rate (hazardous + non-hazardous) destined for recovery in 2021: 83.8%</p>               | <ul style="list-style-type: none"> <li>• Environmental Policy.</li> <li>• Sustainability Policy.</li> <li>• Construction Materials Policy.</li> <li>• Risk Control Policy.</li> </ul> |
| Sustainable and resilient infrastructure   | <p>The risks arising from climate change, the scarcity of natural resources and the state and social context of the territory increase the demand for sustainable infrastructure Because a significant percentage of GHG emissions come from buildings, developing more energy-efficient infrastructure contributes to the mitigation of climate change.</p> <p>The design and execution of resilient infrastructure, in addition to granting recognition and leadership, make it possible to provide safer services that better withstand extreme weather events and mitigate the effects of natural threats on society and its economy.</p> <p>Related risk Map of risks Loss of market competitiveness and innovation capacity</p> <p>Risks</p> <ul style="list-style-type: none"> <li>• Loss of competitiveness</li> <li>• Physical risks arising from climate change</li> <li>• Reputational damage</li> <li>• Loss of profitability</li> </ul> | <ul style="list-style-type: none"> <li>• The ACS Group, through its different activities, provides services that help create more efficient and sustainable infrastructure and cities - sustainable construction, construction of public transport systems, traffic management services, etc.</li> <li>• ACS offers customers the use of recycled and/or certified construction materials. The projects of HOTCHTIEF, Turner, CIMIC and Dragados comply with different sustainable construction certification requirements, and CEEQUAL, ISCA and Greenroads, in terms of efficient infrastructure.</li> <li>• In the ACS Group companies, one of the fundamental pillars of the R &amp; D area of the construction companies is the development of new projects and materials that increase the resilience of infrastructure and that make it possible to cope with the increasingly extreme weather changes resulting from climate change, in addition to the reduction of these construction materials, as well as their reuse and use.</li> <li>• Develop biodiversity policies and environmental studies to minimise impacts on the business areas.</li> </ul> | <ul style="list-style-type: none"> <li>• Development of Green Building projects: 885 cumulative projects by HOCHTIEF and 45 underway by Dragados in 2021</li> <li>• Sales of projects with sustainability certification in 2021: EUR 10,688 million</li> </ul> | <ul style="list-style-type: none"> <li>• Environmental Policy.</li> <li>• Sustainability Policy.</li> <li>• Construction Materials Policy.</li> <li>• Risk Control Policy.</li> </ul> |




## 5.2. PEOPLE IN THE ACS GROUP



The ACS Group's business success comes from the talent and diversity of its teams. For this reason, the company is committed to the professional development of its employees while at the same time ensuring the best working, health and safety conditions.

different corporate policies for managing people that are aligned with the best practices in this area and that are described throughout this chapter. Although each company of the Group develops its own complementary human resources policies to meet its specific needs, they all follow common guidelines:

To retain the best professionals, the ACS Group has



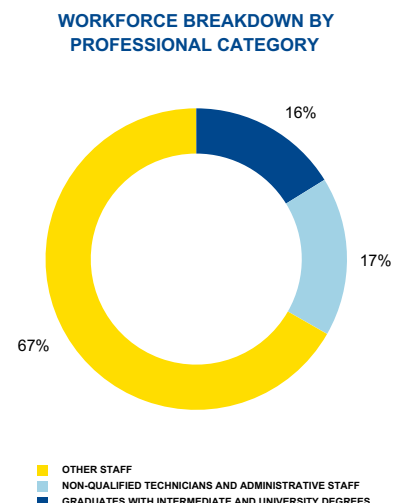
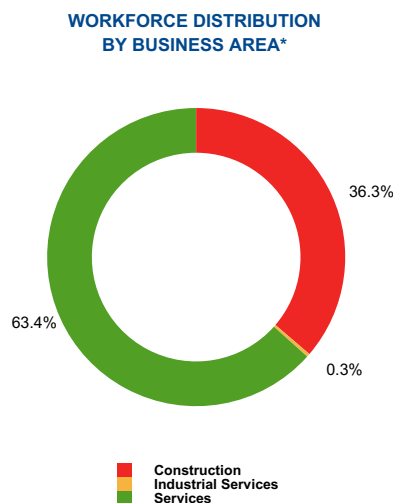
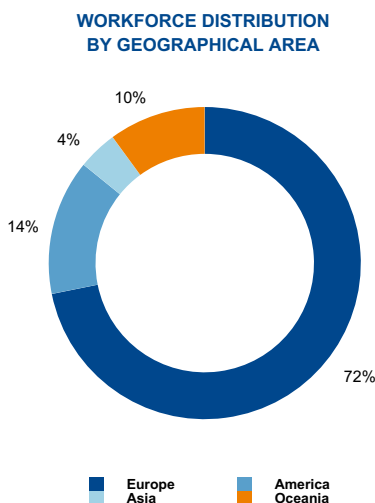
- Attract and hold onto the best talent, while at the same time aiming to improve the degree of responsibility and motivation of employees.
- Promote a culture and corporate values with which the people in the ACS Group identify.
- Promote teamwork and quality control as tools to promote the excellence of work well done.
- Ensuring equal opportunities, diversity and inclusion.
- Support and increase training and learning.
- Innovating to improve processes, products and services.

The impact that the COVID-19 pandemic has caused in all businesses, and society in general, has changed the ACS Group's people management model in recent years, posing an unprecedented challenge to ensure quality and employment.

In addition, each Group company adapted its own procedures to suit the situation in each region and business.

In 2021, the ACS Group continued to follow all of the recommendations of the health authorities, making new work tools available, promoting remote work in the positions that allowed it, and implementing all of the necessary safety measures to ensure the health and safety of its employees.

At year-end 2021, the ACS Group had a workforce of 122.502 persons, of which 58.0% were women and 42.0% men. In comparable terms, i.e. excluding data from Industrial Services and Thiess, the workforce of the ACS Group decreased by (0.2)% compared to 2020.



\* Not including 250 employees from Corporate and other investments.

## ACS GROUP WORKFORCE AT YEAR-END

# 122,502

### BREAKDOWN OF STAFF BY AGE



WOMEN

**58.0%**

OF TOTAL ACS GROUP

**6,852**

GRADUATES WITH  
INTERMEDIATE AND  
UNIVERSITY  
DEGREES

**2,206**

EMPLOYEES WITH A  
MANAGEMENT  
POSITION (WORKS/  
PROJECT MANAGER/  
OR SIMILAR AND  
SUPERIOR)

**9,503**

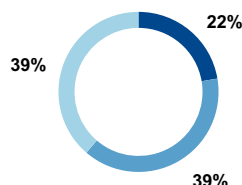
NON-QUALIFIED  
TECHNICIANS AND  
ADMINISTRATIVE  
STAFF

**11.0%**

TOTAL STAFF  
TURNOVER

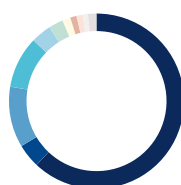
**54,659**

OTHER STAFF



<35 years of age  
35-50 years of age  
>50 years of age

### DISTRIBUTION OF ACS GROUP EMPLOYEES BY COUNTRY



Spain 62%  
United States 11%  
United Kingdom 4%  
Portugal 1%  
Hong Kong 1%  
India 2%  
Australia 10%  
Germany 3%  
Canada 1%  
Poland 1%  
Rest of the Countries 4%



MEN

**42.0%**

OF TOTAL ACS GROUP

**12,993**

GRADUATES WITH  
INTERMEDIATE AND  
UNIVERSITY  
DEGREES

**8,534**

EMPLOYEES WITH A  
MANAGEMENT  
POSITION (WORKS/  
PROJECT MANAGER/  
OR SIMILAR AND  
SUPERIOR)

**11,421**

NON-QUALIFIED  
TECHNICIANS AND  
ADMINISTRATIVE  
STAFF

**20.1%**

TOTAL STAFF  
TURNOVER

**27,074**

OTHER STAFF

Regarding the distribution of employees by country, 62.0% work in Spain and 38.0% in other countries, which demonstrates the Group's significant international presence.

The distribution of the workforce at year-end by type of contract shows the predominance of f contracts over temporary contracts, with 72.3% of the workforce having this type of contract. Regarding the type of workday, 59.3% of the workforce of the ACS Group work full time.

|                     | 31-Dec-21 |        |        |
|---------------------|-----------|--------|--------|
|                     | Men       | Women  | Total  |
| Fixed Contracts     | 40,446    | 48,157 | 88,603 |
| Temporary Contracts | 11,042    | 22,857 | 33,899 |

|                     | 31-Dec-21 |                   |         |        |
|---------------------|-----------|-------------------|---------|--------|
|                     | Age <35   | Age between 35-50 | Age >50 | Total  |
| Fixed Contracts     | 16,883    | 33,551            | 38,169  | 88,603 |
| Temporary Contracts | 10,494    | 14,168            | 9,236   | 33,899 |

|                     | 31-Dec-21  |  |             |        |
|---------------------|--|--|-------------|--------|
|                     | Graduates with intermediate and university degrees | Non-qualified technicians and Administrative staff | Other staff | Total  |
| Fixed Contracts     | 18,648   | 17,945   | 52,011      | 88,603 |
| Temporary Contracts | 1,197  | 2,979  | 29,722      | 33,898 |

| 31-Dec-21           |        |        |        |
|---------------------|--------|--------|--------|
|                     | Men    | Women  | Total  |
| Full-time contracts | 43,841 | 28,824 | 72,665 |
| Part-time contracts | 7,646  | 42,190 | 49,836 |

| 31-Dec-21           |         |                   |         |        |
|---------------------|---------|-------------------|---------|--------|
|                     | Age <35 | Age between 35-50 | Age >50 | Total  |
| Full-time contracts | 18,120  | 29,558            | 24,987  | 72,665 |
| Part-time contracts | 9,258   | 18,160            | 22,418  | 49,836 |

| 31-Dec-21           |  |  |             |        |
|---------------------|--|--|-------------|--------|
|                     | Graduates with intermediate and university degrees | Non-qualified technicians and Administrative staff | Other staff | Total  |
| Full-time contracts | 17,929   | 15,123   | 39,613      | 72,665 |
| Part-time contracts | 1,916  | 5,801  | 42,119      | 49,836 |

In 2021, the total employee turnover in the ACS Group was 14.7% (vs. 13.1% in 2020) and voluntary employee turnover was 11.1% (vs. 8.5% in 2020).

It is important to note that due to the health crisis caused by COVID-19, the ACS Group was forced to file Temporary Workforce Restructuring Plans, or their equivalent based on the geographic scope in which the company is located,

which affected 4,631 employees during the year (vs. 11,414 in 2020). Of these, 26.4% of the cases involved the partial reduction of the workday and 73.6%, temporary suspension of contracts.

The number of redundancies in 2021 was 2,948 people, including those resulting from the termination of projects.

|              | 2020 Rest.* |       |       | 2021 |       |       |
|--------------|-------------|-------|-------|------|-------|-------|
|              | Men         | Women | Total | Men  | Women | Total |
| Redundancies | 3,596       | 825   | 4,421 | 2162 | 786   | 2,948 |

|              | 2020 Rest.*      |                    |                  |       | 2021             |                    |                  |       |
|--------------|------------------|--------------------|------------------|-------|------------------|--------------------|------------------|-------|
|              | <35 years of age | 35-50 years of age | >50 years of age | Total | <35 years of age | 35-50 years of age | >50 years of age | Total |
| Redundancies | 1,187            | 1,764              | 1,470            | 4,421 | 709              | 1,295              | 944              | 2,948 |

|              | 2020 Rest.*  |  |             |       | 2021   |  |             |       |
|--------------|--|--|-------------|-------|--|--|-------------|-------|
|              | Graduates with intermediate and university degrees | Non-qualified technicians and Administrative staff | Other staff | Total | Graduates with intermediate and university degrees | Non-qualified technicians and Administrative staff | Other staff | Total |
| Redundancies | 907  | 1,124  | 2,390       | 4,421 | 750  | 463  | 1,735       | 2,948 |

\* 2020 restated for the sale of Industrial Services and the 50% interest in Thiess.

## 5.2.1. PROFESSIONAL DEVELOPMENT

The ACS Group is positioned as one of the world's leaders in developing infrastructure and services, and this would be impossible without the best team of professionals. The Group's human resources teams seek to attract and retain specialised talent in each of the Group's activity sectors.

In 2021, 39,480 professionals joined the company, 40.7% of whom were under 35, highlighting the commitment to young talent, with Dragados standing out for the programmes implemented in this area.

### YOUNG TALENT PROGRAMME (DRAGADOS)

In 2021, despite the circumstances caused by the pandemic and in a still adverse environment, the Dragados Group made efforts to retain staff and to continue with Training and Development programmes such as Young Talents.

This programme was started in 2014 with the incorporation of the first Young Talents in Dragados Spain. It is currently fully consolidated at both the national and international levels, with 85 new young people joining in 2021.

These new graduates in Civil Engineering, Industrial Engineering and Business Administration and Management or equivalent local qualifications are included in the main national and international projects. This programme is a guide for the learning and development of these young people, through experience in construction works, with a specific training plan, tutoring and an assessment aimed at obtaining information to identify and retain their talent.

At the international level, in 2017 this programme was implemented in Dragados USA and Canada, adapting it to the specific characteristics and needs of each company (Engineering & Finance Development programme). In 2020, the scope of the programme was extended and it was carried out in the United Kingdom, Chile, Poland and Argentina.

This programme currently has 297 participants, 189 of whom are included in national projects and 108 at the international level.

| YOUNG TALENT PROGRAMME CONSTRUCTION AREA 2021 |            |               |
|---|------------|---------------|
|   | Current    |               |
|   | Spain      | International |
| Civil Engineering                             | 134        | 96            |
| Industrial Engineering                        | 25         | 0             |
| Administration and Business Management        | 30         | 12            |
| <b>Total</b>                                  | <b>189</b> | <b>108</b>    |

### LEARNING AND PRACTICES PROGRAMME (UGL)

UGL actively supports new industry workers and the improvement of the skills of current employees through its Learning and Practices programme. UGL currently has 94 staff on the programme, 80 apprentices and 14 interns.

UGL employed 41 new apprentices in 2021. The programme helps develop required capabilities in UGL and focuses on how to expand this programme to meet the demand for technical skills over the next 10 years. The apprentices and interns started this year at the UGL facilities distributed throughout Australia, joining the teams of the Services and Projects divisions in trades such as electricity, mechanics, line staff and welding. Once the programme has been successfully completed, it is expected that the apprentices will be offered full-time positions so that they can continue to expand the knowledge acquired and contribute capacity to UGL.

Attracting and retaining talent requires the ACS Group to offer its employees the best employment practices, encouraging their professional development within the Group. In this regard, the ACS Group maintains a human resources management approach that is committed to continuously improving the skills and capacities of its teams.

Each ACS Group company manages the development of its staff independently, adapting its needs to the specific characteristics of its activity, although they all address the elements defined in the Talent Promotion and Evaluation Policy.



**Talent Promotion and Evaluation Policy**



## TALENT PROMOTION AND EVALUATION POLICY

The ACS Group seeks to develop the following best practices in regard to talent development and assessment:

1. Strengthen performance evaluations through the achievement of goals.
2. Multidimensional performance evaluation (180° or 360°).
3. Strengthen the individual evaluation of employees, recognising and encouraging leadership among those with high potential.
4. Apply incentives related to long-term goals for staff below senior management.
5. Associate incentives related to long-term goals with non-financial performance indicators (environment, health and safety, customer satisfaction, relationship with stakeholders, etc.).
6. Implement measures to reduce the rate of voluntary turnover.
7. Measure employee satisfaction.
8. Take measures to increase employee satisfaction.
9. Implement a global metric to quantitatively evaluate the benefits for the business of investing in human capital.

It should be noted that in companies that represent 100.0% of the Group's employees there are variable remuneration systems, with 22.1% of the workforce being subject to professional performance appraisal plans and 21.6% of employees being subject to measurable targets set with their superiors who influence the determination of the percentage of the variable they receive and that is part of the Group's professional career culture. In addition, companies that represent 99.7% of the Group's employees have professional career plans for their employees.

The training programmes defined in the different Group companies all share the common aspect of encouraging individual talent to create the best professional teams. The Group's commitment to offering its employees specialised training in the Group's different sectors of activity is based on the quality and improvement of the products and services.

As in 2020, the year 2021 was marked by the constraints on seating arising from COVID-19, which led to moving from face-to-face training to new online training courses.

For example, in 2020, work was done in Dragados to adapt the existing training so that it could be provided by electronic means, through the virtual classroom and online courses. In 2021, the Dragados Virtual Classroom was consolidated as one of the ways to reach a large number of workers and continue to encourage their training.

Another example of the increase in the importance of online training would be given in Clece, where in 2021 copyrighted digital training contents were developed. Thus, five training actions were carried out with customised online teaching content tailored to the needs of the company, maintaining their rights of property over them. In this way, different

groups were run, saving 25% of the cost and 2,417 participants were trained through these actions this year.

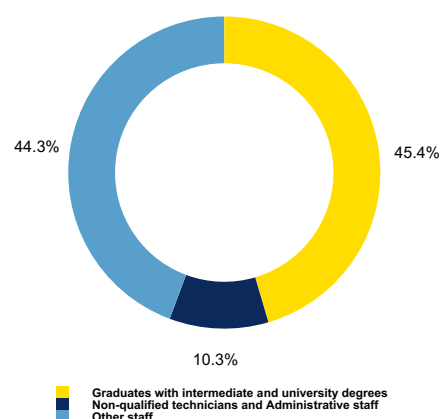
The ACS Group's ongoing training model makes it possible to identify the training needs among employees during the year, which means that training programmes are constantly revised. To determine the effectiveness of the training programmes, the Group companies assess the courses taught at different levels: participant satisfaction, knowledge acquired by participants, and impact on participant performance in the field of their training.

In 2021, after the effect of the cessation of certain face-to-face training activities arising from the impact of COVID-19 in 2020, the number of employees trained during the year increased by 22.9%. The number of school hours increased by 33.5% compared to 2020, reaching 963,760 hours in the period. The ACS Group thus shows its ongoing commitment to the professional development of the Group's employees and their training in new skills, increasing the scope of training programmes for its employees as defined in one of the goals of the Sustainability Master Plan 2025.

|  | 2020<br>Rest.* | 2021    |
|--|----------------|---------|
| Total hours taught   | 721,895        | 963,760 |
| Teaching hours per employee (out of total employees)                   | 6.0            | 8.0     |
| Employees participating in training activities                         | 45,768         | 56,263  |
| Hours of training per employee (out of total employees trained)        | 15.8           | 17.1    |
| Investment in training (M€)  | 10.7           | 14.4    |
| Investment per employee in training (over total employees) (€)         | 89.4           | 119.0   |
| Investment per employee in training (over total employees trained) (€) | 234.4          | 255.3   |

\* 2020 restated for the sale of Industrial Services and the 50% interest in Thies.

BREAKDOWN OF TRAINING HOURS BY PROFESSIONAL CATEGORY



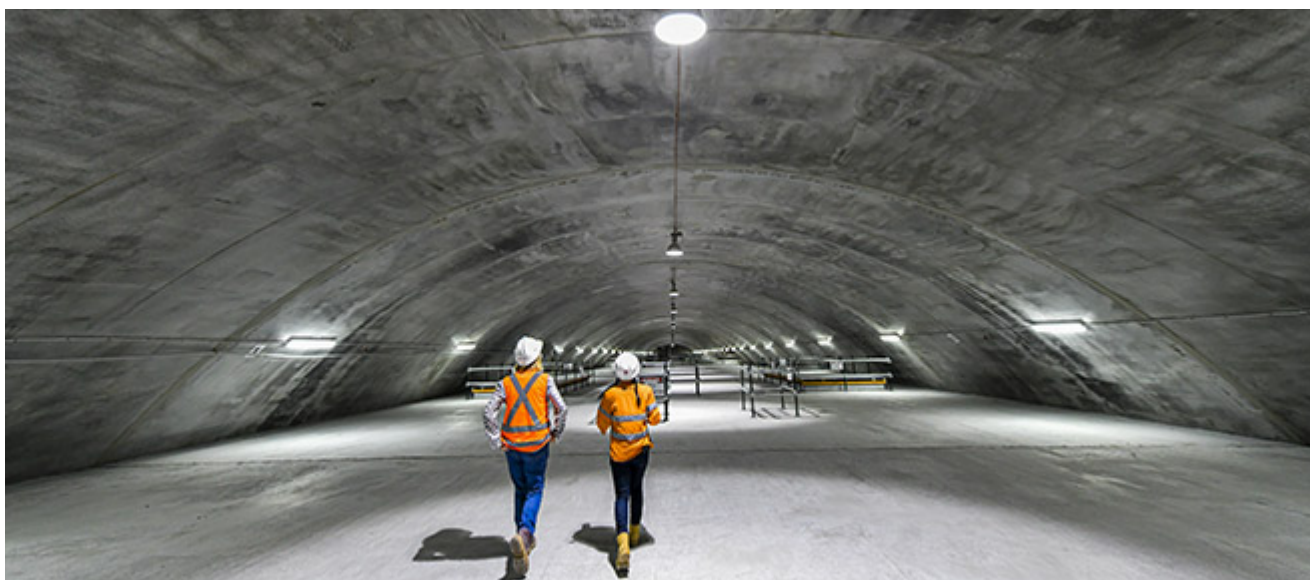
## SKILL DEVELOPMENT PROGRAMMES (CLECE)

The Senior Development programme for Service Managers aims to improve the skills that ensure efficient service management, within the company's strategy. The content of the programme was developed by professionals from the organisation itself, who are responsible for the different areas and activities, as well as by external experts in the different subjects taught. The programme lasts 300 hours and consists of practical cases, online content and practical in-person classes. This training develops technical, commercial, economic-financial, people management and leadership skills. In 2020, 44 participants completed this programme, bringing the total number of participants to 456 Clece employees. This programme could not be carried out in 2021 due to the situation arising from the pandemic. The 10th programme has already been launched in 2022, which will end in 2023 with 80 participants.

In addition, two other skills development programmes related to training for specific jobs were carried out in 2021:

Care Centre and Service Management Programme, with 6 trainees in 2021, with a total of 207 cumulative participants, a programme aimed at training in the skills required for the position of Care Centre Manager.

Security Director programme, training that provides the professional skills necessary for the position of Head Surveillance Services in the private sector, with 3 trainees 2021 and 37 cumulative participants.



## DEVELOPMENT OF PROFESSIONAL SKILLS ONLINE (UGL)

UGL launched an initiative in 2021 to provide employees with 8 weeks of access to LinkedIn Learning, an à la carte learning solution designed to help people acquire new skills and advance their careers. UGL intends for its employees to have access to more learning opportunities so as to help them become productive, develop their interpersonal skills, use productivity tools more effectively, and support their well-being.

With LinkedIn Learning, they have:

- Unlimited access to more than 17,000 courses that cover business, creative and technological topics.
- Customised recommendations that allow them to explore the most in-demand skills based on their experience.
- Access to expert instructors so that they can learn from industry leaders, all in one place.
- Convenient learning with access to courses at any time, from any computer or mobile device.

### 5.2.2. EQUAL OPPORTUNITIES, DIVERSITY AND INCLUSION

The ACS Group strives to maintain relationships of trust with its employees and therefore considers it essential to safeguard basic principles intrinsic to its business model. In its Code of Conduct, the Group emphasises equal opportunities, non-discrimination and respect for human and labour rights, which form part of the Group's business commitment. The ACS Group rejects all types of discrimination, in particular discrimination based on age, sex, religion, race, sexual orientation, nationality or disability.

Beginning with objectivity in selection processes, the ACS Group seeks to ensure equal access to these processes in all phases, from recruitment to hiring.

In 2021, the ACS Group continued different actions in line with its Diversity Policy, the purpose of which is to manifest, implement and develop the Group's commitment to diversity and inclusion of all types of groups. The ACS Group understands diversity from many areas and is convinced that the creation of a diverse team allows it to successfully meet global challenges.

It is important to highlight that the ACS Group's extensive international presence makes it a multicultural team in which professionals from different races, ethnicities, ages, nationalities, languages, education, capacities, religions and genders converge, making this a constant aspect in the Group's day-to-day work. The company is aware of the relevance of local roots and, in line with its intention to promote the local development of the communities in which it operates, it promotes the direct hiring of local employees and executives. 97.4% of the Group's employees correspond to the local community.

The Group's commitment to equal opportunities and diversity is reflected in all areas of the company:

- Regarding gender, companies representing 95.9% of the Group's employees have adopted measures to promote equal treatment and opportunities for men and women, and 85.1% of the Group's employees are covered by Equality Plans.
- In companies that represent 100.0% of the Group employees, there are anti-sexual harassment protocols.
- In companies that represent 100.0% of the Group's employees, measures have been adopted to ensure equal opportunities and avoid discrimination in the selection process for any position. In this respect, it is important to highlight that, in recent years, the ACS Group's commitment to the presence of women in the labour force and their professional development has resulted in an increase in the proportion of women in management positions. In 2021 women in positions of responsibility represented 20.2% of the total, while women in senior management positions increased by 6.6% compared to 2020. Similarly, in companies that represent 42.7% of the Group's employees, specific development programmes have been implemented to promote talented female employees.



[Code of Conduct](#)



[Diversity Policy](#)

## EMERGING WOMEN LEADERS PROGRAMME (UGL)

UGL, one of the main companies through which the CIMIC Group operates in the Asia Pacific region, focuses on supporting gender equity and increasing female representation in leadership positions in all of its divisions as part of its **Strategic Diversity and Inclusion Plan**. The introduction of an Emerging Women Leaders Programme is one of the most prominent initiatives for achieving this objective, along with the implementation of specific individual development plans.

In September, UGL held the last session of its 2021 Emerging Leaders Programme. The programme involved some of the female talents who are part of the programme and develop their skills as they progress in their careers within UGL. Facilitated by "Xplore for Success", the programme supports women leaders to take the next step, exploring and determining the professional targets they aspire to, expanding leadership skills and building a personal brand to unleash the participants' full potential. The participants presented their leadership legacies, sharing their inspiring and heartfelt presentations to their line managers, the students of Emerging Women Leaders at UGL and the executive leaders. The UGL diversity and inclusion strategy includes a focus on building gender equity. The Emerging Leaders programme is a key initiative under the aegis of Women@UGL, which supports efforts to increase the number of women in positions of responsibility.

The ACS Group is committed to the employment integration of people with disabilities and other vulnerable groups, and uses employment as an instrument for social inclusion. At year-end, the ACS Group had 7,662 disabled employees and 2,658 employees from other vulnerable groups. In this area, the Group's most prominent exponent is Clece, with

numerous collaboration agreements with institutions. In addition, companies that represent 98.6% of the Group's employees have implemented systems that guarantee universal accessibility for people with disabilities with infrastructure adapted to remove physical barriers for all people.

## EMPLOYMENT INTEGRATION OF VULNERABLE GROUPS AT CLECE

In 2021, Clece continued to develop its Social Project, a project aimed at a wide variety of vulnerable groups such as victims of gender-based violence, persons with functional diversity, persons at risk of social exclusion or unemployed young people. This project aims to ensure that all people have equal access to employment without being discriminated against due to disability or due to their social circumstances. With this philosophy, diversity and inclusion have become a cornerstone at Clece, which includes 9,299 workers from these groups in its organisation, representing 11.9% of the total workforce in 2021.

In addition, in 2021, Clece obtained the gold category, the maximum possible, in Discert, a European certification awarded to companies committed to the inclusion of disabled people in the workplace, which recognises the value contributed beyond the requirements established by law.

The key points for to this recognition are Clece's effort to maintain the level of commitment to people with disabilities despite the pandemic. In this regard, in 2021 the Company carried out various actions. First, it prioritised this group in its selection processes and strengthened its network of alliances with social organisations, which it has integrated into the corporate recruitment and selection system. Secondly, it consolidated its Support Unit, made up by professionals who help integrate people with disabilities after their recruitment, which now has special protection mechanisms in cases of workplace and sexual harassment. Thirdly, the Company was certified in the corporate social responsibility standard IQNet SR 10, demonstrating its alignment with its stakeholders with regard to the maximum value given to disability in the surveys carried out in relation to this standard. This certification has also highlighted the Clece social project within its supplier network.

Clece has been Discert certified since 2012, which confirms its conviction to continue making progress in the inclusion and integration of disabled people within its organisation.

Specifically, the Nominations Committee ensures that the selection procedures for Board members favour diversity in regard to the aforementioned issues and, in particular,

seeks to facilitate the selection of directors in a number that allows a balanced presence between women and men. The Board's total remuneration is shown in the table below.

| Thousands of euro                          | 2020 Number of Directors | 2021 Number of Directors | Average remuneration for the 2020 financial year | Average remuneration for the 2021 financial year | Variation   |
|--|--------------------------|--------------------------|--|--|-------------|
| <b>EXECUTIVE DIRECTORS (1)(3)</b>          | <b>5</b>                 | <b>5</b>                 | <b>3,259</b>                                     | <b>3,386</b>                                     | <b>3.9%</b> |
| Fixed remuneration                         |                          |                          | 1,489  | 1,352  | -9.2%       |
| Variable remuneration(2)                   |                          |                          | 881  | 1,278  | 45.1%       |
| Contributions to long-term savings systems |                          |                          | 883  | 748  | -15.3%      |
| Other concepts                             |                          |                          | 7  | 8  | 15.0%       |
| <b>NON-EXECUTIVE DIRECTORS</b>             | <b>11</b>                | <b>11</b>                | <b>235</b>                                       | <b>241</b>                                       | <b>2.4%</b> |
| WOMEN                                      | 3                        | 3                        | 188  | 202  | 7.3%        |
| MEN  | 8                        | 8                        | 251  | 255  | 1.7%        |

(1) The Executive Directors of the ACS Group are men.

(2) Includes short-term annual variable remuneration and long-term plans

(3) Includes the remuneration in 2021 of Mr. Marcelino Fernández Verdes until his resignation as Executive Director and of Mr. Agustín Batuecas as Executive Director until the end of 2021, when he changed his status to External Director.

In 2021, the ACS Group Management Committee consisted of 6 executives until 7 May and 5 executives from that date (all men) who in 2021 had an average<sup>5</sup> annual remuneration of EUR 3,459 thousand (vs. EUR 2,758 thousand in 2020), including fixed and variable remuneration, and an average annual contribution to pension plans of EUR 768 thousand (vs. EUR 797 thousand in 2020).

The Group also ensures that the remuneration and talent retention policies are aligned with these basic principles. For the average remuneration, the average annual remuneration of the ACS Group employees was taken into consideration considering their basic salary and other cash incentives. The consolidated data show the weighted average broken down by gender, professional classification and age.

The salary differences detected are due to several reasons. On the one hand, the greater presence in countries with higher per capita income, which is relevant in activities such as Construction, as well as the type, specialisation,

workday, seniority, factors of danger or location of the various activities of the Group. In this regard, the comparison will equate operators at heights in the United States, with high danger levels and higher per capita income, with the Services activity, whose personnel are mainly located in Spain and with activity focused on cleaning services, home help and care for the elderly, with salaries regulated by the collective agreements of each activity.

This diversification of activities and the distribution of employees in countries with different levels of income is what justifies the differences presented in the average remuneration table. Furthermore, in the evolution of wages, it is important to highlight that, given the large degree of geographic diversification of activities and types of contracts, it is very difficult to show a homogeneous evolution of wages and salaries in different years, given the variations of the weight that the different countries/activities represent of the total, with the composition of the salary mass changing significantly from year to year.



<sup>5</sup> The remuneration of Mr. Marcelino Fernández Verdes is included until May 7, 2021, date on which he did not stand for re-election as CEO.

| Average annual remuneration (€)(3)  | 2020 (1)(2) |          |   | 2021(2)   |          |   |
|---|-------------|----------|---|-----------|----------|---|
|   | Men         | Women    | % Difference between average salary for men/ average salary for women | Men       | Women    | % Difference between average salary for men/ average salary for women |
| Senior management and university graduates (3)                            | 92,189.5    | 70,669.3 | -23.3%  | 102,040.9 | 76,502.0 | -25.0%  |
| Non-qualified technicians, similar positions and administration staff (4) | 56,250.7    | 35,893.2 | -36.2%  | 61,967.1  | 37,549.7 | -39.4%  |
| <b>Operators and other staff</b>  |             |          |   |           |          |   |
| Construction and Concessions (5)  | 42,841.4    | 42,388.9 | -1.1%   | 49,802.1  | 46,347.8 | -6.9%   |
| Services  | 15,597.4    | 14,787.5 | -5.2%   | 15,868.7  | 14,992.1 | -5.5%   |

| Average annual remuneration (€) | 2020     | 2021     |
|---------------------------------|----------|----------|
| Age <35 years                   | 34,938.2 | 35,850.1 |
| Age between 35-50 years         | 34,871.7 | 35,973.4 |
| Age >50 years (6)               | 29,908.9 | 30,001.1 |

(1) During 2021, ACS has reviewed the consolidation methodology to ensure that homogeneous reporting criteria are established in all subsidiaries. Based on this review, the 2020 data has had to be recalculated to allow comparability between the 2020 and 2021 data. It should be considered that in 2020 the information has been restated with the sale of Industrial Services and the 50% shareholding of Thiess.

(2) For the calculation of average salaries for both 2020 and 2021, the average salary data for the year including both fixed and variable salaries are taken.

(3) Salary differences by gender for managers and graduates are related to the geographic distribution of the workforce and the effect of the exchange rate.

(4) The salary differences by gender for the category of non-certified technicians, similar and administrative staff are related to the geographic distribution of the workforce and the effect of the exchange rate. Likewise, the heterogeneity of profiles in these categories as well as the greater male presence, with a ratio of two men for every woman, thus generating a greater diversity of positions and salaries in this category for the male gender, make comparability by gender difficult.

(5) The salary differences by gender for the category of Operators and other personnel, for the Construction division, are related to the geographic distribution of the workforce and the effect of the exchange rate. Specifically, 60% of the workforce included in the calculation works in the Australian geography, with a large male presence, with a ratio of more than 20 men for every woman, resulting in a wide range of positions with different salaries in this category for the male gender, thus making comparability by gender difficult.

(6) The 50+ age group includes a large number of employees in the Services division, who perform cleaning, home help and elderly care services, with part-time contracts being the predominant type of working day.



### 5.2.3. ORGANISATION OF WORK AND LABOUR RELATIONS

The health crisis has accelerated trends and initiatives that ACS Group companies implemented in the previous years as time flexibility measures or the promotion of teleworking in the jobs that allow it. It should be noted that ACS Group employees have additional improvements in regard to their working conditions in terms of the legal provisions, such as more holidays, more days of paternity/maternity leave, an improvement in the conditions for the reduced working day, or the accumulation of breastfeeding periods, etc.

Some of these measures make it possible to promote work-life balance and in 2020, this led to the reincorporation of 84.2% of women after maternity leave and 96.0% of men.

ACS Group companies currently do not have any formalised employment disconnection policies, but one of

the targets set in the 2025 Sustainability Master Plan is the implementation of these policies.

Likewise, the implementation of health-hygiene protocols and measures has changed the work systems, particularly in the Construction and Services division to ensure the health and safety of its employees.

The reduction of seating to comply with social distancing measures has led to team reorganisation. The promotion of remote work has also led to the development of new procedures to guarantee the best working conditions and ensure the physical and mental health and safety of employees in this new work environment.

[102-41]

The situation resulting from the health crisis, although mitigated compared to 2020, has continued to have a direct impact on the increase in the absenteeism rate, which in 2021 reached 1.2% and resulted in 2,903,552 hours of absenteeism.

|  | 2018    | 2019    | 2020    | 2020 Rest.* | 2021    |
|--|---------|---------|---------|-------------|---------|
| Total number of days missed (due to absenteeism) | 700,019 | 694,806 | 939,915 | 459,332     | 420,814 |
| Percentage of days missed due to absenteeism     | 1.3 %   | 1.3 %   | 1.9 %   | 1.2 %       | 1.2 %   |

\* 2020 restated for the sale of Industrial Services.

|  | 2020 Rest.* | 2021      |
|--|-------------|-----------|
| Total number of days missed (due to absenteeism) | 3,370,989   | 2,903,552 |
| Hours missed due to COVID                        | 187,584     | 146,887   |

\* 2020 restated for the sale of Industrial Services and the 50% interest in Thiess.

The ACS Group promotes, respects and protects the freedom to unionise and freedom of association of its workers. The percentage of Group employees who were members of trade union organisations in 2021 was: 11.3% , while 78.9% are covered by collective bargaining agreements or by an independent trade union. In accordance with each company's activity, these agreements define the number of working hours and set minimum notice periods for significant operational changes.

By country, in companies whose head offices are in Spain, the number of employees covered by collective bargaining agreements or by an independent trade union was 99.4%, 80.2% of employees in companies with headquarters is in Germany, 26.6% for Australia and 23.4% in the US and

Canada. In regard to collective bargaining agreements with health and safety, in 2021, 100.0% of the ACS Group employees is represented on formal joint health and safety committees for management and employees, and 97.1% of the health and safety issues are covered by these. Over the course of 2021, these committees met more than 1,864 times.

Lastly, in addition to the relationship between trade unions, the ACS Group offers formal dialogue channels for the relationship with its workers, such as ethical channels or work atmosphere surveys. In any case, for more information on the communication channels in relation to employees, see Chapter 5.5.

## 5.2.4. RISK MANAGEMENT IN HR MATTERS

The functions attributed to the Audit Committee of the Group's Board of Directors include the review, monitoring and assessment of the Group's Sustainability Policy, as well as the other related internal regulations, including the Code of Conduct, Diversity Policy, as well as the Human Rights Policy, which will be developed in accordance with the characteristics and needs of each of the Group's companies.

Likewise, in accordance with the Group's risk map, and the materiality analysis, the Group has prioritised the risks

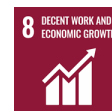
based on their potential relevance for the company's activity, depending on the type of activity, action areas, policies and management approaches.

The table below shows the results obtained from this prioritisation of potential risks to perform the activity related to human resource management, as well as the management measures adopted by the ACS Group:

| Issue  | Potential risks  | Detection, prevention, management and mitigation measures   | Associated management indicators  | Applicable Policies ACS Group  |
|--|--|---|---|--|
| Fair remuneration and quality employment       | <p>The creation of stable, dignified and fairly paid employment is a key aspect to be taken into account in the management of the Company's risks. It can lead to a loss of productivity, competition and business profitability by generating a negative working environment and dissatisfaction among employees. On the other hand, providing quality employment increases employee satisfaction and sense of belonging.</p> <p>Likewise, to ensure adequate control, supervision and monitoring of these aspects, the risks associated with them were integrated into the ACS Group's Risk Map, the associated risk being: Attracting and retaining talent and labour relations. The main risks associated with this material issue that forms part of the group's risk management system are:</p> <ul style="list-style-type: none"> <li>Loss of talent and key profiles.</li> <li>High rate of employee turnover and absenteeism, and therefore inefficiency in human resources.</li> <li>Reduction of feeling of belonging.</li> </ul> | <ul style="list-style-type: none"> <li>The 2025 Sustainability Master Plan includes the commitment of being a leading group in the development of specialised and diverse talent, ensuring equal opportunities and best work practices.</li> <li>Personnel management measures, in accordance with the general principles established in the Group's policies, adapting to the specific characteristics of each of the Group's companies.</li> </ul>  | <p>Indicators presented in this Chapter 5.2. Remuneration, type of employment contract and distribution in the workforce. Measures for social dialogue, organisation, flexibility and work-life balance</p>   | <ul style="list-style-type: none"> <li>Code of Conduct</li> <li>Diversity policy.</li> <li>Talent Development and Assessment Policy.</li> <li>Sustainability Policy</li> <li>Human Rights Policy</li> <li>Risk Control Policy.</li> </ul>  |
| Equality, diversity and non-discrimination     | <p>Ensuring equal and fair treatment of employees who are part of the Group is not only due to regulatory requirements but also to increasing demand from stakeholders. Ensuring the prevalence of these principles in people management programmes ensures a greater ability to attract and retain talent and improve their productivity.</p> <p>Likewise, to ensure adequate control, supervision and monitoring of these aspects, the risks associated with them were integrated into the ACS Group's Risk Map, the associated risk being: Attracting and retaining talent and employment relationships. The main risks associated with this material issue that forms part of the group's risk management system are:</p> <ul style="list-style-type: none"> <li>Loss of key profiles for the organisation.</li> <li>Reduction in economic growth.</li> <li>Reputation risks</li> </ul>  | <p>The 2025 Sustainability Master Plan includes the commitment of being a leading Group in the development of specialised and diverse talent, through:</p> <ul style="list-style-type: none"> <li>Setting up a diverse team by increasing the presence of women in positions of responsibility</li> <li>Being a leader in the integration of vulnerable groups</li> <li>Ensuring equal opportunities and best labour practices</li> <li>Within this common framework, each company prepares its own initiatives in accordance with its specific needs,</li> </ul>   | <p>Indicators presented throughout this chapter 5.2, such as: Remuneration, type of employment contract and distribution in the workforce. Measures for social dialogue, organisation, flexibility and work-life balance. Policies, plans and measures for diversity and equality between men, women and persons with disabilities.</p> | <ul style="list-style-type: none"> <li>Code of Conduct</li> <li>Diversity policy.</li> <li>Talent Development and Assessment Policy.</li> <li>Sustainability Policy</li> <li>Human Rights Policy</li> <li>Risk Control Policy.</li> </ul>  |
| Attracting talent and professional development | <p>The complexity of the sectors in which ACS Group companies operate makes it necessary to identify key profiles and launch attraction and talent development plans that respond to the new needs of the company. Socio-economic changes and the increased complexity of projects require more training for employees. Therefore, professional skills must be defined for sound business management and supported by programmes that allow them to be developed.</p> <p>Likewise, to ensure adequate control, supervision and monitoring of these aspects, the risks associated with them were integrated into the ACS Group's Risk Map, the associated risk being: Attracting and retaining talent and employment relationships.</p> <p>The main risks associated with this material issue that forms part of the group's risk management system are:</p> <ul style="list-style-type: none"> <li>Loss of competition in the market.</li> <li>High employee turnover.</li> <li>Loss of talent.</li> </ul>                                   | <ul style="list-style-type: none"> <li>The Sustainability Master Plan 2025 includes a commitment to improving professional performance by increasing investment in training. The Code of Conduct, the Diversity Policy and the other developments in this area also define the framework for action.</li> <li>Within this common framework, each company manages the development of its professionals in accordance with its specific needs, taking into account the Group's policy. They define training and professional and personal development programmes, and assess their impact on participants.</li> </ul> | <p>Indicators presented throughout this chapter 5.2, such as: - Strategies for attracting, developing and retaining talent - Training hours, investment in training, employees trained.</p>   | <ul style="list-style-type: none"> <li>Code of Conduct</li> <li>Diversity policy.</li> <li>Talent Development and Assessment Policy.</li> <li>Sustainability Policy.</li> <li>Human Rights Policy</li> <li>Risk Control Policy.</li> </ul> |



## 5.3. HEALTH AND SAFETY AT WORK



Ensuring occupational health and safety in all ACS Group companies is one of the pillars of the company's strategy. Each of these companies and the Group in general maintain the commitment to reach the most demanding standards in this area and so become a reference in health and safety protection, not only for its own employees, but also for its suppliers, contractors and collaborating companies.

The ACS Group remains firmly committed to implementing a culture of occupational risk prevention that allows the

ultimate goal of zero accidents to be achieved. Occupational health and safety is one of the most important material issues for the ACS Group due to its activity, so management of this issue is being handled as a priority. Throughout 2021, investment in occupational health and safety reached EUR 972.5 per employee. The decrease in investment by 12.1% compared to the previous year in comparable terms was due to the fact that initial extraordinary investments due to the COVID-19 health crisis had to be made in 2020.

|   | 2018  | 2019  | 2020    | 2020 Rest.* | 2021  |
|---|-------|-------|---------|-------------|-------|
| Investment on Health & Safety (€ mn)    | 160   | 155   | 226     | 148         | 131   |
| Spending per employee on Safety (euros) | 795.5 | 778.1 | 1,196.7 | 1,115.5     | 972.5 |

\* 2020 restated for the sale of Industrial Services and the 50% interest in Thies.

In 2021, the health crisis caused by the impact of COVID-19 continued to be addressed by continuing with the measures and actions initiated in the previous year to ensure the health and safety of all employees, as well as in relations with stakeholders.

Although each company of the Group is managed independently and has its own action plans, common principles are followed in managing the safety and health of workers and other stakeholders:

- Compliance with the current regulations on occupational risk prevention and adoption of other more stringent measures in accordance with the requirements voluntarily agreed upon.
- Integration of occupational risk prevention into all activities and at all levels through proper planning and implementation.
- Application of the principle of ongoing improvement in health and safety management systems, including the performance of the actions necessary to protect employees and third parties in the facilities of each of the companies.
- Promotion of training of workers on occupational health and safety aspects, as well as the allocation of the investments necessary to achieve the most innovative techniques for accident prevention.



To ensure effective health and safety management, 99.8% of the ACS Group companies have implemented occupational health and safety systems. To ensure their correct implementation and management, the health and safety systems are subject to regular reviews by the internal audit teams (covering 99.8% of the Group's employees). Likewise, the Group companies whose health and safety systems are certified by an external one reached 99.8% in 2021. The OHSAS 18001 and ISO 45001 certification continued to be extended throughout 2021

among Group companies, reaching 91.8% of the Group employees covered by these certifications in 2021. It should be pointed out that, although historically the most common certification among Group companies was OHSAS 18001, in 2020 companies such as Clece or Dragados certified their health and safety systems under ISO 45001. The certification of management systems is one of the key objectives of the new 2025 Sustainability Master Plan of the ACS Group, where it was established as a goal to exceed 97% of the employees covered by this certification by 2025.

|  | 2018  | 2019  | 2020  | 2020 Rest.* | 2021  |
|--|-------|-------|-------|-------------|-------|
| Percentage of total employees covered by OSHAS 18001 or ISO45001 certification | 90.1% | 91.3% | 92.0% | 90.8%       | 91.8% |

\* 2020 restated for the sale of Industrial Services and the 50% interest in Thiess.

The Group companies that have their own health and safety management systems apply the following procedures to their activities:

- Periodic assessment of the risks to which employees are exposed.
- Definition of prevention plans with formal targets which incorporate the improvements identified in the assessment processes.
- Identification and recording of situations which could have given rise to an incident (near misses).
- Workers' and managers' remuneration are linked to fulfilment of formal targets as regards health and safety.

Likewise, occupational health and safety management systems include processes for workers to report occupational hazards or situations that they observe during their activity. These channels allow ORP teams, as part of the ongoing improvement process, to assess new risks and implement the measures necessary to prevent and manage them.

For example, in the case of Clece, in 2020, the Health and Safety Policy was changed to include recognition of workers' authority to be able to halt work that entails a potential serious risk and their duty to notify those responsible to safeguard the health and safety of employees.

## BLUE CARDS (DRAGADOS)

Employee participation is a fundamental part of a positive preventive culture. In Dragados, there are multiple channels through which workers and partners can report the dangers and good practices they detect during their work.

In Dragados, communication is encouraged in daily logging talks, during training actions, during leadership visits or in the multiple Health and Safety meetings in which workers are represented. In addition, workers can make use of the Blue Cards. The Blue Cards are designed as a simple and universal way to report hazards, incidents, good practices, proposals for recognition or any other matter aimed at improving people's health and safety.

The Blue Cards promote communication through three words that are a call for action:

**LOOK:** watch, pay attention to your task and that of your colleagues. If you see good practice, risk or danger...

**ACT:** take measures, become involved, recognise the work well done or collaborate to make the situation safe....

**SHARE:** tell us what you have seen, what you have done or what you have learned so that we can learn and take action.

These cards are available on paper or in electronic format accessible by QR code. Blue Card users may enter their name and contact details to receive feedback and may also be sent anonymously if the worker prefers to do so.

The supervision and optimisation of these occupational health and safety systems involves setting and monitoring objectives, generally on an annual basis, which are approved by senior management. The Prevention Plans carried out in the Group companies include the conclusions of the periodic risk assessments conducted and establish

guidelines for achieving the goals set. The Group is getting closer and closer to reaching the goal of zero accidents thanks to the work of the prevention services and the commitment of employees, suppliers, contractors and collaborating companies.

## RECOGNITION AND MOTIVATION IN PREVENTION (DRAGADOS USA)

DRAGADOS USA continuously works to improve the health and safety conditions in its worksites and pays particular attention to workers' commitment and participation. The Company's initiatives to improve in this area are manifold, gradually making workers feel an active part of their safety and that of their colleagues.

Dragados USA leads the California High Speed Rail CP2-3 project, which consists of the design and construction of 60 miles of high-speed track in the state of California (USA). After being recognised as the "Stand 4 Safety Project of the Year", the worksite decided to take advantage of the momentum created by the award and launch a "capture the flag" competition among several segments of the project to promote the highest safety standards.

The 4 project segments will participate in a healthy competition every quarter to see which segment has developed and implemented new and innovative security systems or policies to reduce injuries or incidents, demonstrated the commitment and involvement of all those working in it with security and (iii) shown efforts beyond the minimum required to promote a safe workplace. The segment that demonstrates excellence in the criteria receives the security flag that is flying over its office for three months.



In the Chesapeake, Virginia project, Virginia, developed another original way to recognise a job well done and make work teams proud.

To reinforce the message that prevention is a fundamental part of the work well done and not an add-on, each month the management team meets and reviews health and safety performance, but also such areas as quality, production or budget.

The team that has the best score receives recognition for that month. Instead of a generic trophy purchased in any local store, the project has created a hand-made custom trophy made by the head of the worksite prevention. The trophy has a plaque on which the name of the team is written and is displayed in the work area in the work during the month. The trophy goes from one team to another every month. A new thematic trophy is created each year and the previous one is withdrawn and displayed at the project office.

Furthermore, in addition to the commitment to the occupational health and safety of its employees, the ACS Group promotes the health of its employees and it is increasingly common for Group companies to have access to health insurance or other non-employment-related health services. Some examples are the health insurance that Dragados Clece, Turner, and Flatiron, among others, offer their employees, in addition to the vaccination campaigns

and the promotion of preventive medicine carried out in various Group companies. In addition, as a result of the situation generated by COVID-19, ACS Group companies in 2021 carried out initiatives aimed at promoting occupational health in teleworking situations (ergonomics, promotion of exercise, nutrition, etc.), in addition to focusing on the physical and mental health of their employees through initiatives such as Clece Bienestar.

## CLECE BIENESTAR

Based on a development of the WellWo company, Clece Bienestar is an online platform that Clece has made available to its structure staff to promote their physical and mental health and welfare. Aware that the pandemic has tested our ability to adapt to a new scenario that is full of uncertainties, in 2021 the Company launched this cross-cutting programme to care for employees' health through various proposals: healthy programmes with physical exercises with a wide range of functional modules; specific pills on mental, physical and environmental health; and specific content on nutrition, among others.



Each individual can configure their own participation model by registering for the various modules, as well as scheduling the frequency with which they receive information and registering as an active user of any of the health programmes. These are carried out outside working hours, since they are training activities in the form of video sessions. The platform can be accessed from any device, so that employees can connect from home 24 hours on seven days a week.

To answer real-time questions about the content of the health programmes, there is a direct channel to talk with health professionals, as well as free live sessions.

Currently, more than 70% of the structure staff are registered with Clece Bienestar.



### 5.3.1. TRAINING

The ACS Group believes that one of the basic points of action in the effective management of safety and health at work is the training and awareness of the people who form part of the Group, such as the contractors working in projects within the Group.

Also in 2021, 100.0% of ACS Group employees received health and safety training throughout their career with the

Company. In addition, in 2021, 77.4% of ACS Group employees received health and safety training throughout 2021. The figure decreased compared to the previous year due to the fact that in 2020 there was a need to run extraordinary courses to raise awareness and ensure knowledge of all the new health measures and protocols implemented by the Group in the fight against COVID-19

|  | 2020 Rest.* | 2021   |
|--|-------------|--------|
| Employees who have been trained in health and safety over the year (%)                               | 92.3%       | 77.4%  |
| Employees who have received training in health and safety throughout their career at the company (%) | 99.0%       | 100.0% |

\* 2020 restated for the sale of Industrial Services and the 50% interest in Thiess.

The ACS Group has various health and safety training programmes aimed at employees. On the one hand, there are basic knowledge courses, such as first aid, occupational risk prevention or emergency and evacuation plans, among others. In addition, specific courses are available based on the type of business and the risks associated with them, including work performed at heights, safety in atmospheres with toxic or explosive gases, and handling of specific machinery. Other courses include training focused on the mental welfare of workers, such as mental health and emotional health.

In addition, due to the pandemic and the threat it poses to the health of workers, vaccination campaigns have been carried out and diagnostic tests and actions to prevent transmission of the virus, safety in confined spaces and procedures continued to be conducted in accordance with protocols for action against COVID-19.

The ACS Group collaborates with organisations specialised in health, safety and risk prevention issues and actively participates in the major conferences, congresses and forums organised domestically and internationally.



### 5.3.2. SAFETY STATISTICS

The occupational safety and health of its employees is one of the ACE Group's key strategic pillars in terms of sustainability. This ongoing effort made by all of the companies in the ACS Group in relation to Health and Safety has been reflected in the gradual improvement of accident rates. However, in 2021 the rates were affected by two factors:

1. In 2020 there were fewer accidents at work due to the incidence of COVID-19 and the stoppage of many works during the most difficult months of the

pandemic in 2020, while in 2021 there was a recovery in activity.

2. Increase in the weight of Services activity in total ACS staff, whose accident rates are historically higher due to the nature of the activity. In 2020, accident rates were unusually low in the Services area due to the decline in activity and hours worked. In 2021, Services rates rose compared to 2020, but remained below 2019 indices.

| ACCIDENT RATES. OWN EMPLOYEES | 2019 Rest.* | 2020 Rest.* | 2021  |
|-------------------------------|-------------|-------------|-------|
| <b>Frequency (1)</b>          | 13.82       | 11.46       | 13.64 |
| <b>Severity (2)</b>           | 0.36        | 0.33        | 0.38  |
| <b>Incident rate (3)</b>      | 25.48       | 20.62       | 24.57 |

\* For the sake of comparability 2019 and 2020 are presented restated for the sale of Industrial Services an Thiess' 50% participation.

| ACCIDENT RATES. OWN EMPLOYEES | 2019 Rest.* | 2020 Rest.* | 2021  |
|-------------------------------|-------------|-------------|-------|
| <b>Frequency (1)</b>          | 13.82       | 11.46       | 13.64 |
| Construction                  | 2.66        | 2.32        | 2.54  |
| Concessions                   | 0.00        | 0.00        | 3.63  |
| Services                      | 24.99       | 19.85       | 23.30 |
| <b>Severity (2)</b>           | 0.36        | 0.33        | 0.38  |
| Construction                  | 0.10        | 0.08        | 0.08  |
| Concessions                   | 0.00        | 0.00        | 0.04  |
| Services                      | 0.62        | 0.55        | 0.64  |
| <b>Incident rate (3)</b>      | 25.48       | 20.62       | 24.57 |
| Construction                  | 5.55        | 4.74        | 5.11  |
| Concessions                   | 0.00        | 0.00        | 6.13  |
| Services                      | 41.24       | 32.17       | 38.45 |

\* For the sake of comparability 2019 and 2020 are presented restated for the sale of Industrial Services an Thiess' 50% interest.

(1) Frequency Rate: Number of accidents occurring during the working day per million hours worked.

(2) Severity Rate: Number of working days lost due to accidents per thousand hours worked.

(3) Incidence rate: Number of accidents with sick leave per thousand workers.





Historically, the Services activity, due to the nature of business, is associated with a higher incidence and frequency rate. Given the weight that the Services activity

has in the Group's consolidated indicators, particularly in the breakdown by gender, as this is where the highest concentration of women is found in the ACS Group.

|                      | 2020 Rest.*  |              | 2021         |              |
|----------------------|--------------|--------------|--------------|--------------|
|                      | Men          | Women        | Men          | Women        |
| Accident rate        |              |              |              |              |
| <b>Frequency</b>     | <b>6.27</b>  | <b>16.64</b> | <b>7.30</b>  | <b>19.60</b> |
| Construction         | 2.69         | 0.52         | 2.95         | 0.61         |
| Concessions          | 0.00         | 0.00         | 5.28         | 0.00         |
| Services             | 19.84        | 19.85        | 23.69        | 23.21        |
| <b>Severity</b>      | <b>0.19</b>  | <b>0.47</b>  | <b>0.20</b>  | <b>0.55</b>  |
| Construction         | 0.09         | 0.03         | 0.09         | 0.03         |
| Concessions          | 0.00         | 0.00         | 0.05         | 0.02         |
| Services             | 0.55         | 0.55         | 0.62         | 0.65         |
| <b>Incident rate</b> | <b>12.34</b> | <b>27.58</b> | <b>14.19</b> | <b>33.03</b> |
| Construction         | 5.61         | 0.99         | 6.03         | 1.14         |
| Concessions          | 0.00         | 0.00         | 9.22         | 0.00         |
| Services             | 32.31        | 32.14        | 38.76        | 38.38        |

\* 2020 restated for the sale of Industrial Services and the 50% interest in Thiess.

Each one of the Group's companies closely monitor these indices and due to the importance given to these aspects, periodic reporting, in many cases is weekly or monthly, of the accidents and incidents that have occurred is a common practice, in order to assess the effectiveness of the measures implemented.

In 2021, occupational illness dropped to 66 cases, compared to 70 cases in 2020 restated. None of these occupational illnesses resulted in the death of the employee. The main types of occupational illnesses are,

for the most part, due to ergonomic injuries that vary according to the type of activity carried out (the most common ones are due to repetitive movements or forced positions).

The main types of work-related injuries that occur to ACS Group employees are, for the most part, linked to bumps or bruises, cuts, sprains, fractures and/or sprains of the legs and arms, as well as eye injuries. The common cause of these injuries is often due to overexertion, ergonomics, falls and the use or handling of objects or tools.

|   | 2020 Rest.* | 2021  |
|---|-------------|-------|
| Total number of cases of occupational diseases (employees)        | 70          | 66    |
| Total number of cases of occupational diseases (Male employees)   | 39          | 29    |
| Total number of cases of occupational diseases (Female employees) | 31          | 37    |
| Occupational Disease Frequency Rate (employees)(1)                | 0.292       | 0.273 |
| Occupational Disease Frequency Rate (Male employees)              | 0.325       | 0.247 |
| Occupational Disease Frequency Rate (Female employees)            | 0.260       | 0.297 |

\* 2020 restated for the sale of Industrial Services and the 50% interest in Thiess.

(1) Occupational Frequency Rate: Number of occupational diseases per million hours worked.

## ACCIDENT RATE INDICES SUBCONTRACTORS

The dissemination of the culture of prevention between suppliers, contractors and collaborating companies is another one of the Group's basic guidelines of action in this area. The Group continuously monitors the health and safety conditions of these stakeholders and records the accident rates associated with them.

In 2021 no cases of occupational illness or death due to this cause were recorded among subcontractors. In this regard, the main types of injuries caused by occupational accidents and illnesses are linked to the same causes as those described for employees when performing the same activity.

| CONTRACTORS      | 2018 | 2019 | 2020 Rest.* | 2021 |
|------------------|------|------|-------------|------|
| <b>Frequency</b> | 3.01 | 2.91 | 3.36        | 3.01 |
| <b>Severity</b>  | 0.10 | 0.10 | 0.10        | 0.09 |

\* 2020 restated for the sale of Industrial Services and the 50% interest in Thiess.

|                  | 2020 Rest.* | 2021        |
|------------------|-------------|-------------|
| <b>Frequency</b> | <b>3.36</b> | <b>3.01</b> |
| Construction     | 3.34        | 3.00        |
| Concessions      | 12.87       | 7.68        |
| <b>Severity</b>  | <b>0.10</b> | <b>0.09</b> |
| Construction     | 0.10        | 0.09        |
| Concessions      | 0.00        | 0.03        |

\* 2020 restated for the sale of Industrial Services and the 50% interest in Thiess.

(1) Since Clece does not work with subcontractors, the indicators for the Services activity are reduced to 0.

Likewise, the ACS Group's commitment to the safety and health of its suppliers, contractors and collaborating companies takes the form of training that is provided to ensure that they are aware of all of the safety measures available that the Group makes available to them to safely carry out their activities. In 2021, 83.8% of the Group's contractors had received training in the reporting year and 99.8% throughout their relationship with the ACS Group. Also,

Dragados and Iridium provided 203,097 hours of training to contractors, which represents an increase by 35.7% compared to 2020. It is important to highlight that the Group has recently begun to record indicators related associated with the training of the contractors, so there are Group companies that have begun to monitor this information so that it will be available for the coming years.

### COMMITMENT TO CONTRACTOR OCCUPATIONAL HEALTH SAFETY (SEDGMAN)

In 2021, Sedgman's operations group ran a Health, Safety and Environment Forum (SSMA) for contractors in Mackay, Queensland. Using the Group's "One SSMA Culture" approach, the goal is to engage, discuss and collaborate with key contractors working at multiple Sedgman locations on all security issues.

This group of key contractors supports plant paralyses and maintenance days, provides equipment and staff for high-risk activities, such as lifting operations, and provides knowledge and specialised skills. Ensuring that contractors understand Sedgman's culture and requirements regarding SSMA is essential for the safe operation of the plants.

A wide range of contractor companies attended and the key topics of the day were:

- Establishing safety expectations;
- Debating the current results and collaborating in improving them;
- Focusing on critical risks using Sedgman's essential safety elements and on-site safety commitment through key tools such as safety observation at work and hazard identification; and
- Understanding what drives Sedgman's culture and behaviour regarding SSMA through the "One SSMA culture" survey.

The "One SSMA Culture" approach and the open communication style of the contractor forum made it possible to better understand the SSMA problems faced by Sedgman contractors and an action plan has been established to address the opinions. There is a very positive commitment in which Sedgman has also been able to establish the positive security aspects applied in the group and how to maintain that approach.



### 5.3.3. MANAGEMENT OF RISKS RELATED TO HEALTH AND SAFETY

The functions attributed to the Audit Committee of the Group's Board of Directors include the review, monitoring and assessment of the Group's Sustainability Policy, as well as the other related internal regulations, including the Code of Conduct and the Code of Conduct for Business Partners.

The ACS Group companies will develop these policies in accordance with the characteristics and needs of each one of the Group companies, but always maintaining the common management principles described in section 5.3

and focusing on the fundamental objective on which the entire company is focused, which is the objective of zero accidents.

Likewise, in accordance with the Group's risk map, and the materiality analysis, the Group has prioritised the risks based on their potential relevance for the company's activity in regard to occupational health and safety, depending on the type of activity, areas of activity, policies and management focuses.

| Issue   | Potential risks   | Detection, prevention, management and mitigation measures   | Associated management indicators   | Applicable Policies ACS Group   |
|---|---|---|--|---|
| Responsible management of the supply chain.                 | <p>The management systems responsible for suppliers and contractors allow for the mitigation of the potential risks associated with the supply chain, improving processes and working conditions, and creating opportunities and lasting relationships of trust. Otherwise, the failure to implement a responsible management system might pose significant legal and operational risks for the Group.</p> <p>Likewise, to ensure adequate control, supervision and monitoring of these aspects, the risks associated with them were integrated into the ACS Group's Risk Map, the associated risk being: Purchases/subcontracting. The main risks associated with this material issue that forms part of the group's risk management system are:</p> <ul style="list-style-type: none"> <li>• Increase in costs associated with activities.</li> <li>• Loss of market share</li> <li>• Loss of license to operate</li> </ul>   | <p>The mandatory Code of Conduct for Business Partners establishes, among other basic principles, that:</p> <ul style="list-style-type: none"> <li>• It is essential that the business partners, regardless of the country in which they carry out their activity, respect the fundamental human and labour rights, recognised internationally</li> <li>• Respect for human health and safety is a primary objective for ACS. Therefore, its business partners must be committed to ensuring a safe and healthy working environment for their members, as well as greater respect for occupational health and safety regulations, complying with the applicable occupational risk regulations.</li> </ul>   | <ul style="list-style-type: none"> <li>• In 2021, of the 80,328 direct suppliers with which the Group works, 86.13% of suppliers signed on to accept this Code or have a method similar to the ACS Group Code of Conduct.</li> </ul> <p>In these formal supplier approval systems, the weight of the factors related to sustainability (environmental, ethical and social criteria) out of the total factors used for the approval varies according to the companies' activities and areas of activity, but the weighted average weight of these factors exceeded 38.4% in 2021.</p> | <ul style="list-style-type: none"> <li>• Code of Conduct Business Partners</li> <li>• Risk Control Policy.</li> <li>• Human Rights Policy</li> </ul>  |
| Occupational health and safety in employees and contractors | <p>Ensuring occupational safety and health among employees and contractors is a key aspect in the sector. Occupational accident rates in the infrastructure sector are higher than in other sectors, negatively affecting the perception of stakeholders. Therefore, the ACS Group manages the risks and promotes a safe and healthy working culture and environment through action plans, which establish prevention and monitoring measures with specific targets.</p> <p>Likewise, to ensure adequate control, supervision and monitoring of these aspects, the risks associated with them were integrated into the ACS Group's Risk Map, the associated risk being: Health and Safety and Occupational risks. The main risks associated with this material issue that forms part of the group's risk management system are:</p> <ul style="list-style-type: none"> <li>• High accident and occupational disease rates</li> <li>• Loss of employee productivity</li> <li>• Reputation risks</li> </ul> | <ul style="list-style-type: none"> <li>• In the 2025 Sustainability Master Plan, one of the strategic lines is to prioritise the safety and occupational health of employees and contractors. The Sustainability Master Plan has specific commitments focusing on extending the certification of occupational health and safety management systems to international standards, reducing the rate of accident rates for own employees Safety and Health. To achieve this global commitment, each company independently manages health and safety, planning and implementing activities and measures such as periodic risk assessments and the definition of prevention plans with annual objectives.</li> <li>• Most companies have a management system to comply with the action plans approved by senior management.</li> <li>• The Company set occupational health and safety targets linked to the Board's variable remuneration.</li> <li>• The Group collaborates with specialised organisations and participates in congresses on this matter.</li> </ul> | <p>Indicators presented in this point 5.3. relating to:</p> <ul style="list-style-type: none"> <li>• Health and safety standards, also required for the supply chain.</li> <li>• Zero-accident policies: mitigation plans and reduction targets.</li> <li>• Safety and health training and awareness.</li> <li>• Monitoring of accident rates, frequency and severity indicators.</li> </ul>   | <ul style="list-style-type: none"> <li>• ACS Sustainability Policy</li> <li>• The ACS Group's Code of Conduct</li> <li>• Code of Conduct for Business Partners</li> <li>• Human Rights Policy</li> <li>• Risk Control Policy</li> </ul> |

## 5.4. REGULATORY COMPLIANCE



### 5.4.1. THE GLOBAL COMPLIANCE MANAGEMENT SYSTEM

#### THE ARCHITECTURE OF THE COMPLIANCE FUNCTION IN THE ACS GROUP. THE INDEPENDENCE OF THE COMPLIANCE FUNCTION.

Section 26 of the Rules of the Board of Directors Regulations indicates, in regard to the functions of the Audit Committee in corporate governance and sustainability for environmental and social issues, that this specialised Committee within the Board of Directors is responsible for monitoring compliance with the Company's environmental, social and corporate governance policies and rules, as well as with the internal codes of conduct, and has the following functions:

- 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, as well as 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 relations processes with the different stakeholders.

It also included section 25 of the Rules of the Board of Directors - amended on 16 December 2021, to adapt it to Law 5/2021, of 12 April, on the promotion of long-term shareholder involvement in listed companies, which transposes Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 into Spanish law ("Law 5/2021"), amending, among other rules, the consolidated text of the Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010, of 2 July, among the functions of the Audit Committee in terms of supervising risk management and control, supervising and assessing the effectiveness of financial and non-financial risk management systems relating to the Company and the Group.

The Compliance Committee, which reports directly to the Audit Committee, is this Committee's main instrument to

perform those functions through the general compliance management system of the ACS Group, covering the areas of criminal compliance and anti-bribery, market abuse, Human Rights, Competition, privacy and data protection, taxation, cybersecurity, as well as all issues included in this 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 of Directors on 16 December 2021 thus provides that the Company has established a Global Compliance Management System that aims to implement a model that respects the Group's highly decentralised management structure, allows the Audit Committee of the Board of Directors of the Spanish listed parent company to monitor and assess the effectiveness of the non-financial risk management systems related to the Company and the Group, including the operational, technological, legal, social, environmental, political and reputational or corruption-related risks, as well as compliance with the duties of diligence of the parent with regard to subsidiaries through a system of double control of risk in the various compliance areas. This defines an ongoing process of interaction among elements of the organisation to establish Policies, Objectives and Processes so that the organisation complies with its obligations in an efficient and sustainable manner in the long term, generating evidence of the organisation's commitment to compliance and taking into account the needs and expectations of all 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 DUAL RISK CONTROL MODEL: SPECIFICATION OF THE DUTIES OF DILIGENCE OF THE PARENT WITH REGARD TO SUBSIDIARIES.

The body responsible for examining breaches and proposing corrective actions and sanctions in the parent company is the Compliance Committee. Each division within the ACS Group has its own Compliance Committee and implements its own compliance management model, which is supervised through a medium control monitoring

model by the parent's Compliance Committee to respect the high level of decentralisation and autonomy in management by subsidiaries. To promote the adoption of a model of compliance management by subsidiaries which can be understood as robust, the ACS parent has developed a dual control system:

a) The implementation and development of a homogeneous reporting system for subsidiaries aimed at ensuring that all Group subsidiaries have a certified compliance management system or, at least, that it can be understood as certifiable. This system will detect those subsidiaries that have deficiencies and that do not reach the minimum level of uniformity of the group. This will include a system to control the risk posed by the subsidiaries as a whole, which in turn will identify where there is greater vulnerability to indirect risks from subsidiaries.

b) Semi-annual monitoring to identify those cases in which breaches have been reported or where risks have been established, also monitoring whether the subsidiary has adequately reacted in this specific case by detecting the system's deficiencies, taking corrective actions and the steps taken to resolve them (internal investigations and their results, amendments to rules, improvements in controls, etc.).

With this information, it can operate with the indirect risks that come from the subsidiaries, implementing and developing a second line of own control, complementary to the specific systems of the subsidiaries. This allows for average intensity control without daily involvement in the compliance management of the subsidiary based on a system of reporting from the subsidiary to the parent. The standardised reporting system at the group level makes it possible to argue that the parent has due control over subsidiaries to avoid their liability, promoting the adoption of their own criminal compliance management systems in subsidiaries.

This model provides the advantage that, while respecting the management characteristics of the ACS Group, it allows for a double line of defence since, although it may be possible to find that the subsidiary's model or system is not effective or appropriate, it could be argued that that of the parent was effective and, therefore, there is an additional defence argument distinct from the defence of the compliance management system of the subsidiary that advocates for demarcating the liability of the parent from that of the subsidiary itself.

To this end, a tool, known as the GLOBAL COMPLIANCE REPORT, designed in 2019, has been corrected and improved in 2020 and 2021. It includes the following sections:

- I. Obligations in criminal compliance and anti-bribery.
- II. Compliance staff and responsibilities
- III. Business partners. External diligence and risk assessment
- IV. Compliance training and communication
- V. Controls, targets and resources
- VI. Auditing and monitoring
- VII. Ethics channel

VIII. Breaches, analyses and corrective actions

IX. Competition defence

X. Cybersecurity

XI. Sustainable finance

XII. Human Rights

XIII. Taxation

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 Controls and Anti-Bribery Matrix, which includes both the risks to which the listed individual 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.

The GLOBAL COMPLIANCE REPORT also allows to perform a annual risk score card in all areas of compliance reported.

## 5.4.2. COMPLIANCE POLICIES AND PROCEDURES

The Group's main compliance policies and procedures are available to all stakeholders and business partners on the corporate website: [www.grupoacs.com](http://www.grupoacs.com). The Board of Directors ensures the ongoing review of these policies and procedures to try to ensure that they are sufficient and that they are being applied, avoiding, in any case, situations that could affect the Company's credit and reputation.

### THE ACS GROUP CODE OF CONDUCT AND ITS UPDATING

In 2021 the ACS Group's Code of Conduct, the latest version of which dated 12 November 2015, was updated, resulting in a substantial change due to the profound regulatory change in sustainability, governance and compliance that took place between 2016 and 2021, at national and European and international levels. The final version of the new Code of Conduct was approved by the Compliance Committee on 14 July and by the Board on 27 July 2021.

The Code was published on the intranet together with an explanatory video and on the corporate website on 27 July 2021.



## NEW ACS GROUP ETHICS CHANNEL AND OPERATING POLICY

In 2021 there were new developments in the Ethical Channel management and access. On 27 July 2021, the Board approved the ACS Policy on Operation of the Ethical Channel, which repeals the Code of Conduct Monitoring Committee, attributing its functions to the Compliance Committee.

The Compliance Committee, which replaces and takes on the tasks of the Code of Conduct Monitoring Committee, consists of individuals from the organisation with sufficient professional qualifications to respond satisfactorily to the growing complexity of communications regarding ethics and compliance with standards. It reports directly to the Audit Committee and is able to receive and effectively process communications related to conduct that, in essence, violates the principles set forth in the current Code of Conduct.

The Board of Directors also approved the amendment consistent with the previous reform of all the organisation's policies regarding the functioning of the ACS Ethics Channel, the repeal of the Code of Conduct Monitoring Committee and the attribution of its functions to the Compliance Committee.

The reform came into force in October 2021, once the new ACS Ethics Channel management platform operated by NAVEX GLOBAL was operational, at which time all content related to the Ethics Channel on the corporate website was updated for this purpose. [www.grupoacs.com](http://www.grupoacs.com)

On 28 July 2021, the Compliance Committee approved two new procedures in developing the ACS Policy on Operation of the Ethical Channel:

- a. Procedure for investigating complaints and breaches in ACS
- b. Compliance disciplinary system

With regard to the goal for 2021 of standardising the processes and procedures of the reporting and consultation channels, the Policy complies with the establishment of a common operating framework for the Ethics Channel for the ACS Group Divisions, which must be developed by each of them through internal procedural rules.

Since both HOCHTIEF A.G. and the parent company of their Cimic subgroup, Cimic Group Limited, are listed companies on the German stock exchange and on the Sidney stock exchange, respectively, and are therefore subject to the regulations of their own regulatory bodies and have both their own codes of conduct and their own internal complaint and control channels, the Ethics Channel has been examined together with the Dragados Group, the Iridium Group and the Spanish Group for the implementation of the same Ethics Channel management platform, which would be operated independently by each division, but allowing uniformity in processes and the generation of evidence.

## CONSISTENCY BETWEEN COMPLIANCE AND GOOD PRACTICES IN CORPORATE GOVERNANCE: THE NEW CORPORATE GOVERNANCE POLICY

On 16 December 2021, the Board approved the first of the organisation's Corporate Policies, the Corporate Governance Policy, published on the website since that date.



The purpose of this Policy is to establish the criteria and guidelines that must govern the organisation and functioning of the Company's governing bodies, as well as those that must serve as a basis for defining the structure of the Group of companies of which ACS is the parent, in accordance with a highly decentralised management model and in accordance with applicable regulations and best practices in corporate governance.

In this regard, the Policy respects the respective functional and liability areas of the various Group companies, taking into account, where appropriate, the status of listed companies, ensuring that the corporate interest of ACS is reconciled with that of these entities and the needs and expectations of their shareholders and other stakeholders, while establishing communication and information exchange mechanisms for the necessary strategic coordination in the interest of all ACS Group companies.

In drafting this Corporate Governance Policy, the recent international standards UNE-ISO 37301: 2021 on compliance management systems were taken into account together with the Corporate Enterprises Act and the Good Governance Code for Listed Companies, which the organisation intends to certify in 2022, and in a meaningful manner the ISO 37000: 2021 standard on governance of organisations, approved in September 2021.

The Policy includes the principle of ISO 37000 that good corporate governance and an effective compliance management model are part of the pillars on which an organisation's governance is based, as a system under which an organisation is led, supervised and responsible for achieving its purpose.

The Corporate Governance Policy therefore stipulates that the principles and targets established in national and international standards published by reputable standardisation organisations will be taken into account in order to improve the Company's governance through effective performance, responsible management and ethical behaviour in the Company and its Group. In this regard, the following objectives will be established, among others: (i) having a well-defined corporate purpose/purpose; (ii) establishing a business model aimed at generating value; (iii) taking into account and engage with the Group's organisational strategy; (iv) supervising the framework for action and relationships between the Company and its Group; (v) generating evidence of responsibility for the organisation's action and response; (vi) involving all stakeholders; (vii) exercising leadership within the organisation; (viii) having the information and data necessary for efficient decision-making; (ix) adequately

managing risks; (x) implementing a sustainability policy that encompasses the social impact and long-term sustainability with particular impact on climate change; and (xi) pursuing long-term viability and performance.

These Principles and their application to the Company's corporate governance practices and its Group are reflected in the Company's corporate governance regulations, which mainly include:

- a. The corporate texts, which consist of the By-Laws, which establish the fundamental rules and principles for the organisation and functioning of the Company and its governing bodies, and are implemented through the General Shareholders' Meeting By-Laws and the Rules of the Board of Directors.
- b. The corporate policies aimed at establishing the principles and criteria that must serve as a basis

for the governance model of the Company and its Group and the conduct of its activities.

- c. The ACS Group Code of Conduct, the highest rule, which chairs the entire regulatory body of the organisation, encompassing the entire Group and mandatory for directors, executives and employees who have links with their companies.
- d. Compliance policies and procedures that establish and implement the Organisation's commitment to compliance with the Laws, regulatory requirements, industry codes, organisation standards, good governance standards, generally accepted best practices, ethics and expectations of stakeholders.



### 5.4.3. FIGHT AGAINST CORRUPTION AND BRIBERY

In the area of criminal compliance and anti-bribery, the Code of Conduct and the Code of Conduct for Business Partners are complemented by the Criminal Compliance and anti-bribery Policy. This policy is aligned with national standard UNE 19601 on criminal compliance management systems and ISO 37001 on anti-bribery management systems.



In 2021, all of the goals defined in terms of criminal compliance and anti-bribery were achieved.

#### IMPROVEMENT ACTIONS TAKEN IN 2021 TO REDUCE THE CURRENT RESIDUAL RISK IN THE RISK MATRIX AND CRIMINAL AND ANTI-BRIBERY CONTROLS

As part of the ACS Group's commitment to the prevention of corruption and the commission of criminal acts within the organisation, a process of review, correction and improvement of the Criminal Compliance and Anti-Bribery Management System was carried out in 2021, with the collaboration of a team of independent external experts.

The objective was achieved through the improvement and strengthening of the risk matrix and criminal and anti-bribery controls, by updating the determination of applicability of the risks and the controls associated with each criminal type, verifying the effectiveness of the latter, as for the final reduction of the current residual risk corresponding to each crime defined in the model.

The update of the risk matrix and criminal and anti-bribery controls was carried out throughout May to September 2021 as follows:

#### 1.- Improvement of the Risk Matrix and criminal and anti-bribery controls

The process of improving the matrix began with an exercise to update the determination of applicability of criminal and anti-bribery risks of the Group's parent company by an independent expert.

The crimes considered applicable to the Group's parent company were subject to a new and updated methodology for assessing risk and control levels.

Changes were also made in the names of the specially exposed positions included in the matrix, following the terminology described in the organisation's internal regulations.

In relation to the improvement of controls and their new assessment model, changes were made to the description of the controls of the risk matrix and criminal and anti-bribery controls, and additional pre-existing controls were incorporated in the organisation as a result of the breakdown of the control frameworks - SCIF- and applicable compliance policies and procedures.

The parent, therefore, was restated to meet the opportunities for improvement identified in the audits, and to provide it with greater coverage and control over the risks associated with the applicable crimes, obtaining tools and levers that identify and mitigate the risks in a more specific manner.

#### 2.- Comparison between the 'To-Be' model of the parent and the actual operation

As an end to the process of improving the risk matrix and criminal and anti-bribery controls, an analysis was conducted to establish whether the actual operation adapted to the new changes articulated, which concluded satisfactorily.

As a result of the entire review process, the updated matrix determined the nature and extent of the criminal and anti-bribery risk faced by ACS, identifying that the actual residual risks had been significantly reduced (which was subsequently validated and confirmed by the independent audit reports issued by AENOR and Corporate Defense in October 2021) and managed to specifically target crimes with real impact for the organisation, and therefore their regular monitoring through the Global Compliance Management System tools.

Furthermore, as established in the ACS Group's Code of Conduct in relation to the opposition to corruption, ACS Group companies will ensure that this obligation is fulfilled, also avoiding any transaction that may be interpreted as a gift or donation to individual political or political parties, whether in money or in kind. Donations or sponsorships to entities that appear not related to political parties or public officials must be prevented from fundamentally violating the provisions of this Code of Conduct.

|   | 2020 Rest.* | 2021      |
|---|-------------|-----------|
| Value of financial and in-kind contributions made by the organization to associations (trade associations, business associations, etc.)(1)(€) | 1,351,032   | 4,835,433 |

\* 2020 restated for the sale of Industrial Services

(1) Includes contributions made by ACS, Construction and Services Activities. In 2021 the figure increased because it includes the contributions of Cimic for 6.3 mn AUD. Thus the scope of the data in 2020 and 2021 is 22.19% and 44.9% of sales respectively.

## 5.4.4. HUMAN RIGHTS

In compliance with the principles of the Global Compact, the ACS Group remains committed to respecting Human Rights in all of its operations and activities. The business commitment to Human Rights is a key aspect for the Group, based on the ethical principles and corporate culture that guide the development of its activities and the achievement of its purposes. The main commitments in this regard are included in the ACS Group's Code of Conduct, the Sustainability Policy and the Human Rights Policy.

### HUMAN RIGHTS POLICY

The ACS Group specifically states, through the latest version of its Human Rights Policy, approved on 27 July 2021, its responsibility to respect Human Rights in all of the activities carried out by the Group. This policy is aligned with International Bill of Human Rights and the eight fundamental conventions of the International Labour Organisation.

The systems established by the Company to manage its compliance systems consider regulatory aspects related to Human Rights, such as workers' rights, financing of terrorism, hate crimes, corruption of minors, public health, etc.



### HUMAN RIGHTS MONITORING AND CONTROL MECHANISMS

As part of this policy, the Group has developed different mechanisms to ensure respect for Human Rights: In this regard, it should be noted that in 2019 the Board, through the Audit Committee and the Compliance Committee, approved a Human Rights risk prevention system, which consists of the following policies and procedures:

- **The ACS Group's Positioning Framework on Human Rights.** It addresses in depth the relationships and the main areas of interconnection between the effective development of the ACS Group's activities and the respect for and guarantee of Human Rights, taking as the main reference the UN Guiding Principles on Business and Human Rights and the rights included in the UN Universal Declaration of Human Rights.
- **Human Rights Risk Analysis based on infringement potential.** It develops a corporate tool to facilitate a homogeneous understanding that ensures understanding of the risks of Human Rights violations that the ACS Group may be subject to based on its activities and the relationships they establish with people at all levels of the organisation. It establishes a global vision and allows us to deepen the understanding of what these global risks are, in which the ACS Group may be involved through the implementation of three phases of analysis:

- Phase A: identification of Human Rights and composition of the Human Rights Risk Matrix.
  - Phase B: global map based on the level of Human Rights protection by country and business area.
  - Phase C: classification by country and business area based on the potential risk of Human Rights violation.
- **Corporate Due Diligence Protocol Regarding Human Rights.** This defines the conduct to prevent and arbitrate the specific measures for the prevention of this risk. This facilitates the management and mitigation of effects, and the processing of complaints or claims that may be made by those who have been the object of the aforementioned conduct. Its implementation ensures that all ACS Group companies have a mechanism to identify, prevent, mitigate and respond to the potential negative consequences of their activities on Human Rights.



- **Corporate Guidelines for the Protection of Human Rights.** It provides the keys to facilitate and optimise the understanding and in-depth application (at all levels of the ACS Group) of the documents described above.

These documents constitute the basis for the due diligence procedure for detecting Human Rights risks within the ACS Group. In 2021 the various Group companies continued to implement these procedures, both in their own transactions and in the analysis of their supply chain, based on their own characteristics and areas of action. In October 2021, an independent expert drafted a performance report on the "Human Rights Risk Scorecard" aimed at estimating the Human Rights risk to which the ACS Group Divisions are exposed based on the level of implementation of the guidelines of the Human Rights Due Diligence Protocol reached by each of them.

The "Human Rights Risk Scorecard" assessment was applied to the information reported by the Divisions to the ACS Group's Global Compliance Report, which included 5 issues regarding the status of implementation of the key guidelines of the Protocol:

1. Human Rights Risk Analysis;
2. Human Rights due diligence system (mechanisms to prevent, mitigate and remedy potential risks and impacts identified and/or already materialised);

3. Specific Human Rights training for employees;
4. Reporting /complaint channels;
5. Human Rights Action Plan.

The conclusions of this report were transferred to the Audit Committee and the current status in the various divisions and improvement actions were identified.

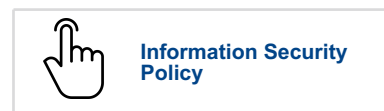
### 5.4.5. INFORMATION SECURITY

The ACS Group has an Information Security Policy, the latest version of which was approved by the Board of Directors on 27 July 2021, which applies to all its subsidiaries, and establishes the general principles and obligations regarding the security of financial, non-financial and corporate information. The Policy aims to adopt a series of measures aimed at preserving the confidentiality, integrity and availability of information, and aims to establish the requirements to protect information, equipment and technological services that support most of the ACS Group's business processes. This policy provides minimum requirements that must be met by all the Group's divisions and subsidiaries, notwithstanding more restrictive policies that may be implemented to complement it.

Following the approval of the Information Security Policy, which must be complied with by all Group subsidiaries, progress has been made in implementing the security measures necessary to protect information, equipment and systems that support them based on the creation of an

In 2021, Group companies continued to make progress in assessing their own human rights operations, identifying potential risks and implementing mitigation and remediation plans if these risks are identified. In 2021, 79.0% of the ACS Group's operations over the life of the project were assessed. The goal set by the ACS Group in the 2025 Sustainability Master Plan is that 100% of its own transactions are assessed in terms of Human Rights by that date.

Information Security Strategy or Master Plan aligned with the objectives of the ACS Group and the Security Policy as a whole. Being aware of the security risks inherent to information systems, the parent company incorporated the Information Security function into its management model in March 2021, appointing the CISO (Chief Information Security Officer) and approving the first Information Security Master Plan on 27 July 2021. One of the main pillars of this plan is the independent CISO, who reports directly to the Audit Committee through the Compliance Committee, for the assessment, implementation and monitoring of the Plan. Given the decentralised model of the ACS Group, each of the Group's divisions will approve its own Information Security Master Plan adapted to the risks of the various activities. Compliance monitoring will be carried out by the parent company through the Global Compliance Report within the specific cybersecurity area.



### 5.4.6. COMPETITION COMPLIANCE POLICY AND PROTOCOL

On 27 July 2021, the Board of Directors of the Group's parent company approved the latest version of the Competition Compliance Policy and Protocol.



The Policy constitutes the backbone and common framework for compliance with competition regulations by all Group companies, identifying the consequences of failure to comply with competition law for the ACS Group and its executives and employees, and it regulates, in practice, how the obliged parties must act to avoid incurring the risks inherent to competition law, with a special emphasis on public contracting.

Compliance with the Policy is supervised by the ACS Compliance Committee and, in October 2021, an independent expert issued a report on the assessment of the degree of adaptation of the ACS Group divisions to the recommendations of the CNMC Guide on compliance programmes and other compliance parameters.

In its conclusions, it stated that, in general, all the Divisions covered by the Report adequately developed the forecasts and obligations arising from the ACS Competition Policy. The responses provided in the ACS Group's Global Compliance Report are in line with the actual improvements made in each case. It should be noted that the obligations for monitoring meetings and contacts with competitors established in the ACS Competition Policy have been developed by all divisions only partially.

In relation to the provisions of the CNMC Guide and Directive 2019/1937, all Divisions have reviewed, or are in the process of being carried out, a comprehensive and comprehensive review of all elements of their compliance programme with regard to competition. Once all projects are completed, and subject to the implementation of the actions indicated for each division, with particular emphasis on specific training in competition law, the respective compliance programmes would bring together the main elements that define an effective compliance programme in accordance with the CNMC Guide.



## 5.4.7. CONTROL AND MONITORING MEASURES

### Established communication and complaints channels

The ACS Group has maintained throughout its history a business commitment to the various stakeholders, based on ethical principles that are part of our corporate culture and that go beyond strict compliance with the Law.

The Code of Conduct reflects the essential values of the ACS Group. Therefore, all companies and divisions that make up it will adopt decisions and behaviours aligned with this framework. However, since the ACS Group operates in different jurisdictions, more stringent local rules will prevail over the provisions of the Code of Conduct. However, local customs will not be applied when they are contravened.

The ACS Group's actions are based on the values of integrity, excellence, trust, sustainability and profitability.

Failure to comply with these values can be reported to the ACS Group's Ethics 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 Ethics Channel and ensuring that there is no retaliation against the whistleblower.

The ACS Group's Ethics Channel is available to anyone who intends to report a possible breach within a professional context with the ACS Group, as well as to all Group contacts and stakeholders. The Ethics Channel Operating Policy is binding for the directors, executives and employees who have links with Group companies, regardless of the legal nature of their relationship and those who, despite not being employees, are aware of any breach in their professional relationship with ACS.

The ACS Ethics Channel allows complaints to be made anonymously. Through the digital platform of the Ethics Channel, the whistleblower may keep in touch with the organisation preserving its identity and monitoring its file. However, ACS encourages whistleblowers to identify when making a complaint, giving their name, position and contact details. The staff responsible for processing it may therefore contact the whistleblower for follow-up if necessary. At the same time, ACS considers that it is the best way to prove its Policy of non-retaliation in the event of a complaint.

In this sense, when a (non-anonymous) complaint is filed, ACS ensures that the internal complaint procedure will be carried out in a secure manner that ensures the confidentiality of the identity of the whistleblower and other related information.

All members of the organisation and interested parties are encouraged to submit information related to possible breaches of our Code of Conduct, as well as to request guidance related to compliance policies and procedures or to provide suggestions.

The information provided by the whistleblowers will be managed in a fully confidential and anonymous manner if they so wish. ACS will process the personal data for the

processing and investigation of the complaint made through our Ethics Channel, for the purpose of detecting and avoiding potentially unlawful conduct and/or contrary to the ACS Code of Ethics and for the defence of the Company's interests and rights. Whistleblowers can exercise their data protection rights by addressing Avda. Pio XII, 102, 28036, Madrid (MADRID), Spain or email [pdd@grupoacs.com](mailto:pdd@grupoacs.com). More detailed information on the processing of your data is available in the data protection section of our website as well as directly in the information regarding the users of our Ethics Channel.

Following the reform carried out on the ACS Group's ethical channel in October 2021, the ACS Group's ethical channel can be accessed:

By post sent to:

ACS Group Ethics Channel  
Avda. Pío XII 102, 28036 Madrid, Spain.

Through the corporate website <https://www.grupoacs.com/compliance/ethical-channel/> or directly through the following link to the Ethicspoint platform operated by Navex Global: <https://secure.ethicspoint.eu/domain/media/en/gui/108376/index.html>

Through the telephone hotline 24 hours, 7 days a week, at the following numbers:

| Country        | Telephone number |
|----------------|------------------|
| Spain          | 900876841        |
| United States  | 833 7781 528     |
| Canada         | 833 7781 528     |
| France         | 800990846        |
| United Kingdom | (0) 800 077 3019 |

## Queries and complaints received in 2021

In 2021, 8 complaint processes were opened in the Ethical Channel, of ACS, Actividades de Construcción y Servicios, S.A., 6 in relation to ACS Group companies that were outside the scope of consolidation at the end of the year and 2 in relation to a Group subsidiary, of which only one of which is being processed.

The list of queries and complaints received via the Ethics Channels of the Dragados Group, the Iridium Group, and the Clece Group is as follows:

- **Dragados Group:** 46 communications/reports were received, through its various ethics channels, from different users (58 total communications/reports), 29 submitted digitally, 5 by telephone, 11 through the website, and 1 in person. The locations of origin of these communications/reports were: 10 from Spain, 24 from the United States, 5 from Argentina, and 7 from Poland, 26 coming from employees, 4 from former employees and the rest from various sources. The reasons for the communications/reports received were: 3 due to alleged cases of harassment and discrimination, 19 due to irregular conduct, 12 due to conflicts of interest, 9 due to labour relations, 1 due to safety and health reasons and 2 due to other reasons. Six of the communications/reports were resolved

in less than 15 days, five between 15 and 30 days, four between 30 and 60 days, twenty-four in more than 60 days, and seven are still under investigation. Of the 46 inquiries/complaints received: 37 inquiries/complaints were filed and 9 are in progress. Of the 37 inquiries filed: seven were filed away without implementing any measures, two were filed away after making recommendations, nine were not admitted or could not be verified, two were resolved with improved controls, three complaints were withdrawn, and fourteen led to the implementation of corrective measures.

- **Iridium:** through its Ethics Channel, 8 communications/reports were received in Spain and 1 in Latin America, all digitally, regarding questions about the internal policies which were answered in less than 15 days.

- **Clece:** 128 communications/reports were received through its Ethics Channel, all from Spain and by email. Of all these communications/reports, 16 were related to harassment, 25 to quality of service, 39 to labour relations, 22 to irregular conduct and 26 were inquiries. 87 of the communications/reports received were resolved in an average period of less than 15 days, and the rest in less than 100 days with the exception of 8 that were closed by year-end.

## 5.4.8. TRAINING

|  | 2020 Rest.* | 2021   |
|--|-------------|--------|
| Scope of the training plans regarding the company's human rights, ethics, integrity, conduct or compliance procedures (% of employees) | 100.0%      | 100.0% |
| Number of courses given with content on Human Rights, Ethics, Integrity, Conduct or other compliance policies and procedures           | 394         | 456    |
| Number of employees trained in Human Rights, Ethics, Integrity, Conduct in the year or other compliance policies and procedures        | 39,213      | 45,909 |
| Training hours per trained employee  | 2.8         | 2.2    |

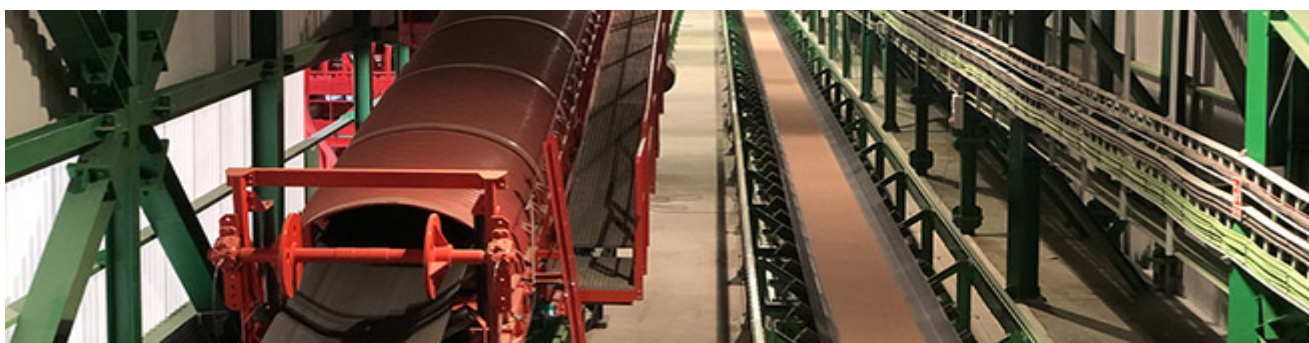
\* 2020 restated for the sale of Industrial Services

In order to guarantee compliance with all of its internal commitments and regulations, the ACS Group encourages all of its employees to become familiar with them through awareness campaigns and training courses which are carried out at all Group companies.

In 2021, under the aegis of the Compliance Committee of the Group's parent company, training of members who are particularly exposed to the different types of risk within the organisation focused on the areas of criminal and criminal

compliance and anti-bribery systems, information security, sustainable finance, Code of Conduct, and Ethics Channel.

The training sessions at the ACS Board plenary have focused significantly on the main regulatory developments and corporate governance recommendations that most directly affect the fulfilment of their obligations and on criminal and anti-bribery risks in the new Risk and Criminal and Anti-Bribery Controls Matrix, approved on 14 July 2021 by the Compliance Committee.



## 5.4.9. COMPLIANCE RISK MANAGEMENT

The General Risk Control and Management Policy, as a framework rule, affects all areas of the ACS Group, including all issues relating to compliance. The Integrated Risk Control and Management System covers all types of risks that could jeopardise the achievement of the objectives of the Organisation and the ACS Group companies. The ACS Group also has a General Risk Map of the Group that is updated and approved by the Board on a regular basis. The classification of the defined Risks and a detailed explanation of the comprehensive risk management and control system are set forth in section 2.3 of this document.



The body responsible for examining breaches and proposing corrective actions and sanctions in the parent company is the Compliance Committee. Each division within the ACS Group has its own Compliance Committee and implements its own compliance management model, which is supervised through a medium control monitoring model by the parent's Compliance Committee to respect the high level of decentralisation and autonomy in management by subsidiaries. To promote the adoption of a model of compliance management by subsidiaries which can be understood as robust, the ACS parent has developed a dual control system, as explained in point 5.4.1 of this report.

Furthermore, as specified in Article 25 of the Board Regulations, the Audit Committee has been attributed the following functions relating to the supervision of risk management and control:

a) Supervise and assess the effectiveness of financial and non-financial risk management systems relating to the Company and the group, including operational, technological, legal, social, environmental, political and reputational or corruption-related risk management systems.

b) Reassess, at least annually, the list of most significant financial and non-financial risks and assess their level of tolerance, proposing, where appropriate, their adjustment to the Board. To this end, the Committee will hold at least annually a meeting with senior executives of business units in which these will explain 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.

Without prejudice, in any case, to the mandatory reporting to the markets through the Annual Consolidated Report, the Non-Financial Statement and the Annual Corporate Governance Report (sections E and F).

During the year, the Compliance Committee and the General Corporate Management carried out actions to improve the management and control of the main financial and non-financial risks, reporting to the Audit Committee on compliance with the established response and monitoring plans.



## 5.5. MANAGEMENT OF RELATIONS WITH STAKEHOLDERS

[102-40]; [102-43]

The ACS Group defines stakeholders as groups with the capacity to have an influence on the achievement of the organisation's objectives or that may be affected by its activities. The ACS Group's basic principles in relation to its stakeholders and the environment are based on complying

with the Spanish and international legislation in force, and fulfilling the corporate social responsibility commitments voluntarily subscribed to by the ACS Group.

The figure below indicates the main stakeholders with which the ACS Group has relationships:



Likewise, in order to know and respond to the expectations of the stakeholders, and for the ultimate purpose of establishing relationships of trust with them, each one of the Group companies makes different channels of communication available to them.

These channels promote transparency, participation and active listening of all stakeholders. Responsible communication practices to prevent the manipulation of information and safeguard integrity and honour. For this reason, the communications are based on criteria of impartiality, clarity, precision, consistency and responsibility, notwithstanding the need for confidentiality in the execution of the activity.

These general communication principles are defined by the ACS Group in its Policy for Communication of economic-financial, non-financial and corporate information, and regarding Contacts and Relations with Shareholders and

Other Stakeholders aimed at, among other purposes, establishing a general framework that promotes communication between ACS, its shareholders and other stakeholders,

The purpose of this Policy is also to define the general and specific channels established by ACS to implement and develop a strategy that facilitates communication, ensuring fair treatment of interlocutors and also establishing direct and indirect means of disseminating relevant economic, financial and non-financial and corporate information that, on both mandatory and voluntary basis, ACS provides to shareholders and markets in general.



**Policy for Communication of economic-financial, non-financial and corporate information, and regarding Contacts and Relations with Shareholders and Other Stakeholders**

| STAKEHOLDER  | COMMUNICATION CHANNEL   | MAIN COMMITMENTS OF THE ACS GROUP   |
|--|---|---|
| <p><b>CUSTOMERS</b></p> <p>Any entity or person that contracts or acquires the services or products marketed by the different ACS Group companies.</p> <p>The commitment to clients is addressed from a clear strategy, as included in the Group's Sustainability Policy.</p>  | <ul style="list-style-type: none"> <li>- Group websites and Public reports.</li> <li>- Ethics Channel.</li> <li>- Corporate mailboxes.</li> <li>- Channels for submitting complaints/claims.</li> <li>- Satisfaction surveys.</li> <li>- Social networks.</li> <li>- Dossiers and press releases.</li> <li>- Meetings with clients.</li> <li>- Trade fairs and forums.</li> <li>- Publication of relevant facts.</li> </ul> | <ul style="list-style-type: none"> <li>- Effective resolution of problems and incidents.</li> <li>- Ensuring the best technical and economic solutions.</li> <li>- Building stable, honest and trusted relationships.</li> <li>- Anticipating and tracking client needs.</li> <li>- Periodic measurement of satisfaction.</li> <li>- Ensure protection and confidentiality of information.</li> </ul>   |
| <p><b>SHAREHOLDERS, INVESTORS AND FINANCIAL INSTITUTIONS</b></p> <p>Natural persons, legal entities and entities with capital interests or shareholdings in the ACS Group.</p> <p>The Group has a Communication of Contacts and Involvement with</p> <p>Shareholders, Institutional Investors, Asset Managers, Financial Intermediaries and Voting Advisors, and the right to information of shareholders is described in different provisions of the Company's Shareholders' General Meeting By-Laws.</p> | <ul style="list-style-type: none"> <li>- Group websites and relevant public reports and facts.</li> <li>- Ethics Channel</li> <li>- Shareholders' General Meeting.</li> <li>- Shareholder and investors section on the website, electronic forum and shareholder service office.</li> <li>- Investor Agenda and Investor Day.</li> <li>Dossiers and press releases.</li> </ul>  | <ul style="list-style-type: none"> <li>- Maximising shareholder profitability.</li> <li>- Information transparency.</li> <li>- Promotion of informed participation of shareholders in the ACS Group.</li> </ul>   |
| <p><b>EMPLOYEES</b></p> <p>Any person who works for any company that forms part of the ACS Group.</p> <p>The ACS Group's General Code of Conduct constitutes a guide for the professional performance of all of the employees and executives of the Group. The group also has a number of policies that apply to employees that are specifically covered in Chapter 5.2 of this report.</p>  | <ul style="list-style-type: none"> <li>- Group websites and Public reports.</li> <li>- Ethics Channel.</li> <li>- Intranet.</li> <li>- Work climate surveys.</li> <li>- Corporate communications.</li> <li>- Meetings.</li> <li>- Health and Safety Committees.</li> </ul>  | <ul style="list-style-type: none"> <li>- Promoting integrity, professionalism and respect.</li> <li>- Promoting professional and personal development.</li> <li>- Ensuring equal opportunities, diversity and inclusion.</li> <li>- Promoting a culture and corporate values with which the people in the ACS Group identify.</li> <li>- Ensuring the highest levels of occupational safety and health.</li> <li>- Respect for Human Rights.</li> </ul> |
| <p><b>SUPPLIERS AND CONTRACTORS</b></p> <p>Persons or companies that provide their services or products to the ACS Group and form part of its supply chain.</p> <p>The ACS Group's Code of Conduct for Business Partners establishes the principles which all market operators must comply and expressly accept in order to establish commercial relationships with the Group.</p>   | <ul style="list-style-type: none"> <li>- Group websites and Public reports.</li> <li>- Ethics Channel.</li> <li>- Periodic meetings.</li> </ul>   | <ul style="list-style-type: none"> <li>- To ensure objective and impartial treatment in the selection of suppliers and contractors.</li> <li>- Responsible and sustainable management of the supply chain.</li> <li>- Compliance with supplier and subcontractor management rules and systems.</li> <li>- Analyse the level of compliance with these systems.</li> </ul>  |
| <p><b>SOCIETY</b></p> <p>All those individuals, local communities, NGOs, industry associations, media, etc., that form part of the environment in which the ACS Group operates.</p> <p>To demonstrate its commitment to the economic and social development of the communities in which the Group operates, it relies on its Social Action Policy linked to its business strategy.</p>   | <ul style="list-style-type: none"> <li>- Group websites and Public reports.</li> <li>- Ethics Channel.</li> <li>- Participation in organisations and institutions.</li> <li>- Public relations department and press articles.</li> <li>- Social networks.</li> <li>- Organisation of events, participation in forums, collaboration and volunteering</li> </ul>   | <ul style="list-style-type: none"> <li>- To promote the economic and social development of the countries in which the Group carries out its activities.</li> <li>- To drive forward the business and its sustainability To improve the Company's prestige and reputation</li> </ul>   |
| <p><b>ADMINISTRATIONS AND REGULATORY AUTHORITIES(1)</b></p> <p>All representatives of local, regional and international governmental institutions and public entities with which the ACS Group is in constant communication.</p> <p>The commitments established by the Group in regard to the regulatory authorities and administrations are included in the Group's Sustainability Policy.</p>  | <ul style="list-style-type: none"> <li>- Participation in organisations and institutions.</li> <li>- Participation in forums and events.</li> <li>- Official communication channels of the Administrations</li> </ul>   | <ul style="list-style-type: none"> <li>- Continuous cooperation acting always in good faith.</li> <li>- Ensuring integrity and transparency in relationships by encouraging fair competition and the appropriate use of public resources.</li> </ul>  |

(1) In 2021, the ACS Group did not make any financial or in-kind contributions to political parties, as stipulated in the ACS Group Code of Conduct. The subsidies received by the ACS Group in 2021, as shown in the Group's Consolidated Balance Sheet, included in the Economic Financial Report published along with this report, totalled 2.1 million euros. For more information, see section 5.9 of this report.

Some sectoral associations of which ACS Group companies are part include Aspel, Asade, Aseata, Seopan, Asociación Empresas Constructoras de Madrid, B.A.U.M., Deutsche Gesellschaft für Nachhaltiges Bauen, ENCORD, Stifterverband für die Deutsche Wissenschaft, ANCOLD (Australian National Committee on Large Dams), Association for Payroll Specialists, Australian Association of Graduate Employers, Australian Chamber of Commerce and Industry, Australian Constructors Association, Australian Industry & Defence Network, Australian Industry Group, Australian Railway Association, Australian Shareholders' Association, Australian Ship Building & Repair Group, buildingSMART Australasia, Business Council of Australia, Chamber of Commerce and Industry WA, Civil Contractors Federation (various), CEDA (Committee of Economic Development of Australia), Diversity Council of Australia, Infrastructure Partnerships Australia, Infrastructure Sustainability Council of Australia, International Project Finance Association, La Camara (Spanish-Australian Chamber of Commerce), National Association of Women in Construction, NSW Business Chamber, NSW Indigenous Chamber of Commerce, Rail Industry Safety Standards Board, Roads Australia, WORK180, among others

It should be noted that within the framework of the definition of material issues of this report, the ACS Group consulted its stakeholders to identify those areas of the company's management considered to be most significant. The results of the survey are provided in point 7.2. Identification of relevant issues.

## COMMITMENT TO INFORMATION TRANSPARENCY

One requirement for the ACS Group to be able to fulfil its mission of generating return for its shareholders and the society in which it operates is information transparency. The objective of this strategy is to ensure that its activity is as open as possible and that the interests of the company's clients and other stakeholders are respected.

This general objective of transparency is stated by means of the following guidelines:

- Transmitting the Company's overall corporate strategies, as well as those specific to each of the Company's business areas, to the outside world.
- Projecting the Group's business reality so that the Group's different stakeholders recognise it as being sound and well-managed in Spain and abroad.
- Contributing to the make-up of a positive corporate image which helps to achieve business objectives and commercial activity.
- Maintaining a fluid relationship with the different stakeholders related to the Group.

Therefore, it is a basic principle of good governance for the Company to ensure transparency and maximum information quality, so that the public information of the Company and the Group is presented in a clear, complete, simple, orderly and understandable manner for all Company stakeholders. The ACS Group manages its commitment to transparency towards its stakeholders through the "Policy for Communication of economic-financial, non-financial and corporate information, and regarding Contacts and Relations with Shareholders and Other Stakeholders" aimed at, among other matters, establishing a general framework that promotes communication between ACS, its shareholders and other stakeholders, taking into account the particular role as regards financial intermediaries, institutional investors, asset managers, voting advisers, credit assessment agencies and other market actors, in order to facilitate the transfer of information by the Company and, in particular, the exercise of their rights by shareholders, mainly those of attendance and voting at the General Meeting.

The purpose of this Policy is also to define the general and specific channels established by ACS to implement and develop a strategy that facilitates communication, ensuring fair treatment of interlocutors and also establishing direct and indirect means of disseminating relevant economic, financial and non-financial and corporate information.

| Transparency Indicators                  | 2020    | 2021    |
|--|---------|---------|
| <b>Website</b>                           |         |         |
| Visits to the website                    | 313,393 | 223,061 |
| Pages viewed                             | 926,817 | 665,918 |
| % of new visitors                        | 84.8%   | 86.4%   |
| <b>Shareholders &amp; Investors</b>      |         |         |
| Meetings organized by Investor Relations | 328     | 172     |
| Calls/emails from shareholders answered  | 1,173   | 980     |



## 5.6. CONTRIBUTION TO SOCIETY



The ACS Group seeks to carry out its activities by creating shared value in the environments in which it operates, acting as an engine for economic and social development.

To maximise value creation, the ACS Group prioritises the use of local resources, favouring the exchange of knowledge, the transfer of technology and growth of an industrial fabric that contributes to economic growth and social welfare. The ACS Group's commitment to society has two facets:

1. Contributing to the development of society through value creation, local development and compliance with the Sustainable Development Goals.
2. Through its corporate action, which is structured according to the Group's business strategy and the SDGs to which the company contributes, both through the Group companies and through the independently-managed Foundation.

To articulate this commitment to society, the Group has implemented a Policy for Social Action linked to its business strategy, as this is the optimal medium for generating real shared value for all stakeholders.



The main objectives of this policy are:

- To drive forward the business and its sustainability  
To improve the Company's prestige and reputation
- Increasing employee and partner satisfaction
- To help improve the society in which the ACS Group operates.

The Policy for Social Action is governed by an Action Plan, which sets out the procedures for application in its various business areas. It was drawn up in accordance with the guidelines and recommendations of the London Benchmarking Group (LBG), includes the experience accumulated over the years by the ACS Foundation and the companies of the ACS Group.

The policy determines the responsibilities assigned to social action, the action categories and areas that form the framework of the projects, the types of contributions that may be made, the geographical areas of action, the model for monitoring the initiatives and communication of the results obtained:

Thus, in 2021 the actions taken by both Group companies and the ACS Group Foundation involved a total investment of EUR 11.7 million for Social Action.



# THE ACS GROUP'S SOCIAL ACTION POLICY

## RESPONSIBLE PARTIES

GROUP COMPANIES

ACS FOUNDATION

## FORMS OF CONTRIBUTIONS

INVESTMENTS IN  
THE COMMUNITY

TRADE  
INITIATIVES

PHILANTHROPIC  
DONATIONS

## TYPES OF CONTRIBUTIONS

IN KIND

CASH

## SCOPES OF ACTION

- Corporate volunteerism
- Citizen awareness
- Environmental awareness
- Energy efficiency
- Road safety / Workplace hazards
- Support for NGOs and community organizations

- Elimination of barriers and universal access for disabled people and people with reduced mobility
- Education and defense of the environment
- Rehabilitation of historical heritage monuments

- Scientific and technical research
- Sponsorship of other foundations and institutions
- Support for cultural activities
- Support for sports activities
- Development cooperation

## GEOGRAPHICAL AREAS

ALL COUNTRIES WHERE ACS OPERATES

## MONITORING

INTERNAL MONITORING, MONITORING COMMITTEE,  
ACHIEVEMENTS AND IMPACT ASSESSMENT

## REPORTING

INTEGRATED REPORT  
FOR THE ACS GROUP

ACS FOUNDATION  
ANNUAL REPORT



## 5.6.1. SOCIAL ACTION OF THE ACS GROUP COMPANIES

In 2021, the ACS Group continued to demonstrate its commitment to society through the initiatives carried out by the various ACS Group companies. Following the commitment demonstrated in 2020 by the ACS Group companies as a result of the health and social crisis caused by COVID-19, in 2021 the ACS Group companies continued to focus on developing their own social initiatives.

Each company of the Group has the power to choose the social action activities with which it is most identified and in which it wishes to participate, provided that they are linked

to the experience acquired in its business and contribute to the objectives of the Group's Policy for Social Action and the Sustainable Development Goals. The company's employees can later take part in these activities as corporate volunteers.

The targets set in the Sustainability Master Plan 2025 include promoting investment in the community by progressively increasing the funds allocated, as well as improving the monitoring and measurement of the impact on society

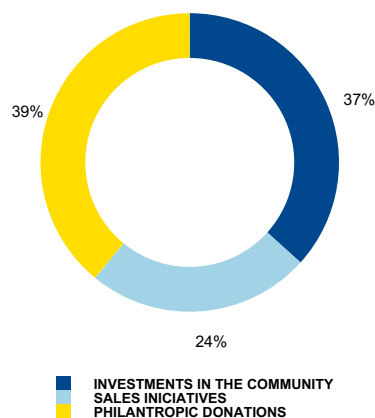
| Main Indicators of Social Action of Group Companies  | 2020   | 2021    |
|--|--------|---------|
| Cash funds allocated to Social Action (€ mn) (1)   | 9.1    | 4.9     |
| Monetary estimate of in-kind contributions to Social Action (€ mn) (2)   | 1.9    | 1.2     |
| Estimated number of people benefited by social action  | 64,406 | 111,871 |
| Number of citizen awareness courses or activities carried out (road safety, environment, efficiency, social integration,...) (3) | 139    | 265     |
| Number of volunteers (employees) who have participated in these awareness-raising activities (3)                                 | 715    | 648     |
| Number of foundations or NGOs that received grants/support during the year (3)   | 365    | 364     |
| Number of events (conferences, exhibitions, sporting events, etc.) sponsored during the year. (3)                                | 23     | 17      |
| Time employees have spent this year volunteering during the workday (h) (3)  | 5,396  | 9,714   |

(1) The year 2020 includes the contribution of 3.5 million euros made by ACS for the purchase of personal protective equipment for healthcare personnel, as well as other initiatives aimed at mitigating the effects of Covid 19 at the most critical moments of the pandemic.

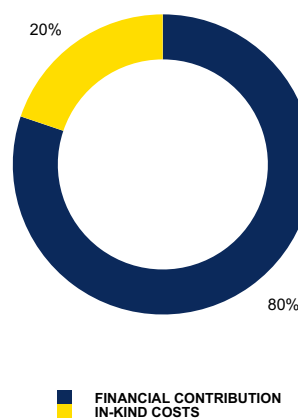
(2) Includes administrative expenses in 2020 and 2021 of €1.0 mn and €0.9 mn, respectively.

(3) Data scope of 22.65% and 22.55% of sales in 2020 and 2021.

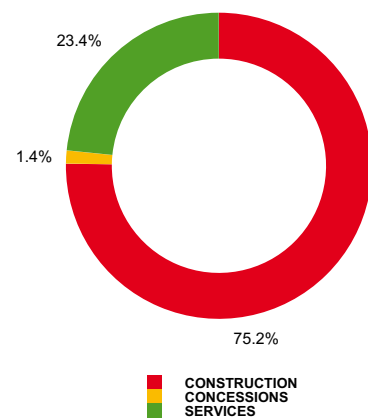
### INVESTMENT BY TYPE OF ACTION



### INVESTMENT BY TYPE OF CONTRIBUTION



### INVESTMENT BY BUSINESS AREA



\* The 0.9 million for administrative expenses are excluded; included by business area, the distribution would be as follows: 66% Infrastructure; 2% Concessions and 33% Services.

## HOCHTIEF'S BRIDGES TO PROSPERITY (B2P)

Since 2010, HOCHTIEF has been a partner of the US non-governmental organisation Bridges to Prosperity. This partnership is part of the sponsorship approach "designing and preserving vital spaces." Together with B2P, HOCHTIEF pursues the goal of giving people in remote rural regions better access to key infrastructure such as schools, hospitals and markets. To this end, pedestrian bridges are built that provide safe passage, especially in the rainy season. In this partnership, HOCHTIEF intends to specifically support the population of regions in which the Group itself does not operate.

HOCHTIEF also normally supports the construction of bridges by sending employee teams to carry out construction work together with local communities. Due to the pandemic, this was not possible in 2020 and 2021. However, HOCHTIEF financed a bridge project that was completed by a B2P team in the year of the report. The 44-metre long Ntaruka bridge in Northwest Rwanda allows about 1,600 people to pass when the Cyacika River rises during the rainy season. Previous analyses show that pedestrian bridges have a significant impact on communities. After the construction of the bridge, 50% more women find work, agricultural productivity increases by 75%, and income increases by 30%.

HOCHTIEF will continue these activities in 2022. HOCHTIEF plans to send its own teams again in the coming years. To date, more than 270 employees from across the Group have participated in B2P projects, and all have described the experience as very rewarding. The projects thus contribute to employee loyalty and motivation.

## CORAZÓN Y MANOS (HEART AND HANDS) PROJECT (CLECE)



Corazón y Manos is a non-profit association that was created out of the social commitment of a group of workers in Clece.

The main objective of the Corazón y Manos Foundation is to put into practice the social commitment of its partners and contribute to improving the quality of life of people and their social development, paying special attention to the most disadvantaged groups in society.

Its activities include providing assistance to the personal cases emerge in the 'Clece community,' employees, family members of employees and users of the services managed by the company.

In 2020, in addition to activities and collaborations with other entities, a series of personal assistance actions were carried out in 2021 to help people in our environment in all types of situations.

The main services provided by the association are to collaborate in the insertion of people with exceptional difficulties in accessing the labour market, to help beneficiaries of the association enjoy decent housing, to provide help in cases of social emergency, and to collaborate with universities so that people who need it can benefit from free legal advice.

More than 130 cases have been resolved this year.



## CLECE WITH LA PALMA

The volcanic eruption of La Palma that started on 19 September 2021 caused severe disruption on the island.

Clece took various actions to mitigate some of the problems.

At the end of September, when the ash rain and gas emissions were most violent, Clece made a donation of 35,400 FFP2 masks and 119,200 surgical masks. The donation was made to the municipalities of Tazacorte and El Paso and to various secondary schools in the local Education Council area.

## INTERNATIONAL DAY OF NON-VIOLENCE AGAINST WOMEN (CLECE)



The seventh "A Life without Violence, A Life with Respect " campaign once again mobilised employees, clients and users of the services provided by Clece. They all came together in this initiative to show their support for the victims and a complete rejection of gender-based violence.

This year's campaign had several unique elements:

- a. Like last year, a commemorative sticker designed especially to be displayed on masks was used as mass awareness-raising material. During that week, 113,000 units were produced and distributed to more than 28,000 Company workers.
- b. The offices and work spaces were decorated with vinyl stickers commemorating the event. In order to be able to place these stickers, the permit was obtained and, in many cases, with the active collaboration of the customers of our services.
- c. A large digital event was held on social media under the hashtag #UnaVidaSinViolencia. The event was held on 25 November at 11.30 a.m. and followed up extensively. The success of the event caused the A3Media foundation to grant the Zero Tolerance stamp to the initiative.

In addition, within the 25 N environment in 2021, Clece held a round table with an audience to discuss gender violence among older people.

The round table was held at the School of Social Work at the University of Jaén. The participants presented the problem of a group that suffers from sexist violence and that, unlike other groups, is not visible to society. The round table resulted in a series of interesting conclusions:

1. The need to implement the gender and life cycle perspective in legal action and the necessary inter-agency coordination for detection and intervention.
2. The need to keep the focus of research on these topics alive and active in universities.
3. Meeting with the objectives of the 2030 agenda on real and effective equality, focusing especially on this problem in the group of women over 65, since they are currently "invisible" victims.
4. The need to continuously raise awareness and provide training on prevention among all professionals working with older people to collaborate in detecting these cases and in possible solutions.



## 5.6.2. SOCIAL ACTION OF THE ACS FOUNDATION

The Foundation's objective is to integrate and manage the effort by the ACS Group in terms of patronage and cultural, institutional, sporting or environmental sponsorships, awards and scholarships, training and research, charity and similar activities, in Spain and internationally, to give it the greatest social visibility.

The Social Action of the Foundation allows a portion of the benefits of the ACS Group to be reinvested in society to help improve the quality of life of citizens in any of its physical, human, training, cultural and environmental aspects. The projects sponsored by the ACS Foundation fall within the general interests of the Foundation, including:

- a. Promotion and development of all kinds of cultural and artistic activities, in their broadest acceptance.
- b. Promotion and development of programmes and activities relating to science, training, education, teaching, research and the spread of technology, as well as any other activity that serves to improve people's quality of life.
- c. Promotion, preservation and restoration of elements of Spain's historic artistic heritage collaborating increase awareness.
- d. Promotion of activities related to the protection of the environment.

The ACS Foundation carries out different programmes that contribute to achieving the Sustainable Development Goals, as shown below:

1. General interest programmes. Sponsorship of prestigious foundations and institutions that, despite their very different purposes, can all be classified as of general interest for the company.
2. Programmes aimed at helping people with disabilities: Improvement of the quality of life of people with physical or sensory disabilities, or in dependency situations, through three subprogrammes, which all contribute to SDG 10 and specifically to goal 10.2

Promotion of social, economic and political inclusion, in addition to contributing to the ACS Group's high-priority SDGs:

- a. Universal Accessibility:
- b. Work and social training and integration:
- c. Integration through sport:

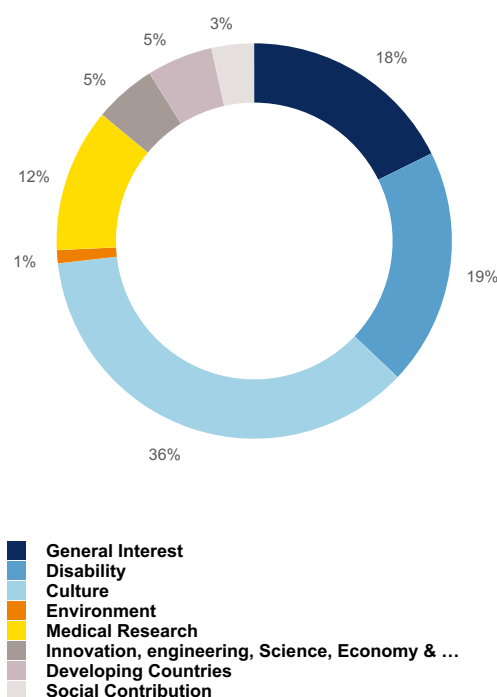
3. Cultural programmes: Support for culture through ACS Foundation grants to museums, universities and other institutions whose main objective is the preservation, exhibition and dissemination of Spain's artistic heritage; as well as aid to promote music and theatre in the form of sponsorship of seasons, galas, plays and concerts.

4. Support programmes, mainly for medical research, including rare diseases, and healthcare organisations.
5. Defence of and support for best practices in regard to the environment.
6. Collaboration programmes with institutions in the areas of innovation, engineering, science, economics and law.
7. Programmes in developing countries. The financial aid allocated by the ACS Foundation for the development of the countries most in need is included in this programme.
8. Social collaboration programme. This programme includes all of the financial donations that the ACS Foundation allocates to solidarity with society's groups most at need and that are not included in the 7 programmes mentioned above.

In 2021, the ACS Foundation spent EUR 5.5 million.

COVID-19 also naturally had an impact on the daily operations of the ACS Foundation and the online channels were strengthened in order to continue attending the meetings, conferences, seminars and courses in which the Foundation participates.

**BREAKDOWN OF THE BUDGET ALLOCATED BY THE FOUNDATION ACCORDING TO PROJECT CATEGORY (IN €M)**



## MADRID ROYAL ASTRONOMICAL OBSERVATORY ACCESSIBILITY

On 14 October 2020, the ACS Foundation signed a final partnership agreement with the Spanish National Geographical Institute and the Spanish Royal Trust on disability to facilitate access for people with disabilities as part of the improvement of the public service in the Madrid Royal Observatory of Madrid, located in the Retiro Park.

Throughout 2021, the works, which, essentially, consisted of the building of a ramp that meets the requirements for the technical accessibility characteristics were fully carried out.

These works were completed with the preparation of two models at a 1/50 scale, in order to facilitate better knowledge of the building for people with cognitive disabilities, both for the Observatory and the Telescope.

In addition, a video will be made explaining the observatory with a translation into sign language so that deaf people can access its content.



## 5.7. SUPPLIERS AND CONTRACTORS



Supply chain management is one of the main material issues for the ACS Group. The Group's commitment to its supply chain is key to ensuring a responsible model, in which the quality of its services and products involves compliance with high standards of action and the promotion of sustainable practices.

The model relationship with suppliers, contractors and business partners established by the ACS Group seeks to ensure a responsible, equitable and ethical process that is adapted to each company's operational needs. The integration of environmental, social and good governance aspects (ESG) into the management of its supply chain forms part of the responsibility of the ACS Group and its commitment to sustainable development.

In 2018, the Board of Directors of the ACS Group approved the Code of Conduct for Business Partners, which was updated on 27 July 2021 and outlines the basic principles that must govern the relationship between the Business Partners and the ACS Group. In 2018, the Board of Directors of the ACS Group approved the Code of Conduct for Business Partners, which was updated on 27 July 2021 and outlines the basic principles that must govern the relationship between the Business Partners and the ACS Group.

This code of conduct is based on the ethical principles that guide ACS Group's conduct at all times. The Group requires all its business partners to expressly accept (by signature and commitment to compliance) of the contents included in this Code. Only in cases in which the Business

Partners can demonstrate the existence of a Code of Conduct or other internal rules with content similar to the

requirements of the ACS Group may explicit signing of this Code be waived (which must ultimately be confirmed by the Organisation). Of the 80,328 suppliers and contractors with which the ACS Group worked during 2021, 86.1% accepted by signing or have a procedure similar to the Code of Conduct for Business Partners of the ACS Group. This percentage is lower than that reported in the previous year in comparable terms since some Group companies published their own adjustment to the Code of Conduct for Business Partners in 2021 and are still making the transition. In addition, in 2021, 7.5% of suppliers received training on the Code of Conduct for Business Partners in the reporting year. Of the 80,328 suppliers and contractors with which the ACS Group worked during 2021, 86.1% accepted by signing or have a procedure similar to the Code of Conduct for Business Partners of the ACS Group. This percentage is lower than that reported in the previous year in comparable terms since some Group companies published their own adjustment to the Code of Conduct for Business Partners in 2021 and are still making the transition. In addition, in 2021, 7.5% of suppliers received training on the Code of Conduct for Business Partners in the reporting year

In ACS Group companies, the procurement departments are responsible for managing the relationship with suppliers and contractors by means of specific systems for managing, classifying, approving and controlling the supplier risks. As a characteristic feature that differentiates the Group from its competitors, it is important to highlight the strong decentralisation of procurement and supplier management departments in this area. This gives Group companies a competitive advantage as a result of the agility, flexibility and independence granted by this model.



[Code of Conduct for Business Partners](#)



## 5.7.1. SUPPLY CHAIN OF THE ACS GROUP

|                                    | 2021   |
|------------------------------------|--------|
| No. of suppliers and contractors   | 80,328 |
| % Local suppliers                  | 83.4%  |
| % Expenditure with local suppliers | 65.3%  |

The company's diverse activities translate into a very complex supply chain, made up of a large number of business partners. The total number of suppliers in the Group's supply chain in 2021 reached the 80,328 suppliers.

The ACS Group is committed to the economic and social progress of the countries in which it operates and it is therefore committed to contracting local suppliers. In 2021, 83.4% of the suppliers with which the group worked were local. This ACS Group's commitment to encourage local development has a positive effect in several different areas:

- The local economy is strengthened while at the same time reducing the costs of the operations.
- The proximity of the suppliers makes it possible to ensure the supply to the different business units worldwide and to shorten the delivery times.
- Reduces the ACS Group's environmental footprint and minimises the impact on the environment.

There are two different types of suppliers in the ACS Group's supply chain management based on the contracting process:

• **Suppliers determined by the client.** In this case, it is the customer who contractually determines the type of supplier, as well as the amount and characteristics of the materials to be used. Despite the fact that in these cases the Group's companies adapt to these requirements, the Group's procurement departments and suppliers have established a control procedure to confirm the efficiency of the

designated supplier, which may cause setbacks and promote corrective measures for other work.

• **Suppliers directly contracted by the ACS Group.** For suppliers of services and materials contracted by the ACS Group, whether through a central purchasing department or in a decentralised manner by works managers, detailed management and control processes are defined, which share the following points in common in all Group companies:

- There are specific standards and a system for managing, classifying, proofing and controlling the risk of suppliers and subcontractors.
- Analysis of the level of compliance of these systems.
- Promotion of collaboration with suppliers and transparency in contractual relationships.

There is also a comparative policy favouring the participation of various suppliers in selection processes. In order to objectively take decisions and facilitate access for new suppliers in different parts of the world, a study on customary suppliers has been launched. Visible procurement portals for all services are being developed, offering a wide range of products from different suppliers. This is a real aid to cost saving (because the most competitive prices are identified) and to controlling material consumption by employees or construction managers. In Spain this portal helps local suppliers to sell their products domestically, promoting their development and growth.



## 5.7.2. SUPPLIER APPROVAL AND ASSESSMENT SYSTEMS

The management model responsible for the supply chain of the ACS Group begins with a process of approval of suppliers and subcontractors in which compliance with the fundamental criteria established by the ACS Group to form part of the Group's supply chain is assessed. Thus, in companies that represent the 91.6% ACS Group's procurement costs present a formal system for the approval of suppliers and subcontractors. The main aspects considered during the approval process are:

- Average payment and collection periods.
- Technical capacity and suitability to perform the planned task .
- History of fulfilment of contractual clauses in their prior relationship with ACS.
- ESG aspects related to compliance with the Code of Conduct for Business Partners.

The weight of ESG factors in the approval process varies according to the companies' activities and action areas, but the weighted average weight of these factors exceeds 38.4% in 2021. Specific aspects assessed include certificates on environmental aspects (ISO14001, EMAS or

the like), certification on quality aspects (ISO 9001 and the like), adherence to international human rights and labour rights standards and analysis of the labour standards and practices of suppliers and subcontractors, among others. In 2021, 33.9% the suppliers with which the Group has worked have adhered to ethical, social and environmental commitment standards or have certificates in this area<sup>6</sup>.

For the contracted suppliers, the ACS Group's supplier approval system envisages a subsequent analysis phase, which goes back to the ACS Group's ongoing management and improvement system. This process, which seeks to guarantee compliance with contractual clauses and agreements and includes the identification of economic, environmental and social risks, is based fundamentally on the detection of non-compliance and on corrective or management measures to be applied. In 2021, 57,785 suppliers had been assessed at least once in the last three years, representing 71.9% of the total suppliers.

If breaches or risks are detected, the appropriate corrective measures are applied, adapted to the circumstances of each case. When the breaches detected are considered serious, they can immediately terminate the contracts.

### SAFE, RESPONSIBLE AND SUSTAINABLE PURCHASES (CLECE)

In line with the company's sustainability strategy, two innovative projects have been developed from the Clece Purchasing department.

Firstly, in 2021 GoSupply, an intelligent platform that monitors potential supplier risks in real time and that integrates third-party data sources such as Dow Jones, Refinitiv, Moody's, Informa D & B, Serasa and Aenor, was implemented. This has allowed the Company to evolve from static models of pre-qualification of suppliers to a system that enables it to approve, have visibility and monitor the risk and compliance levels of its critical suppliers, in order to immediately take the appropriate decisions to mitigate these risks and actively interact with its suppliers.

With GoSupply, the CTP teams have a single platform that includes and validates information on suppliers regarding compliance, sustainability, finance, environment and social responsibility, all from 15 possible types of risk and with more than 50 defined alerts in real time. Likewise, the Company's Compliance teams gain visibility on compliance levels in standards, legislation, sanctions and adverse news from both suppliers and their parent companies, shareholders and associates, including real-time alerts that enable them to make decisions and actions that limit the risk to the company.

On the other hand, in 2022 Clece plans to obtain certification of the purchasing function in ISO 20400:2017 for Sustainable Purchases. The purpose of this standard is to ensure that companies, through the purchasing function, can extend their good practices in environmental, social and good governance (ESG) issues to their supply chain. To this end, the sustainability principles and objectives set forth in the ISO26000: 2010 Social Responsibility Guide, as well as some of the United Nations Sustainable Development Goals (SDGs), are implemented.

ISO 20400 provides the main lines to integrate sustainability into the Company's procurement strategy, which implies that purchases are beneficial for the organisation while having a positive impact on society and the environment, leading to a more sustainable supply chain.

Certification in this standard also implies the establishment of a series of ESG targets, including increasing the acquisition of eco-label products and/or environmental labelling, reducing paper consumption, reducing CO2 emissions associated with the vehicle fleet and raising awareness of the supply chain in governance aspects and the inclusion of disadvantaged groups.

<sup>6</sup> Scope of the data: 13.7% suppliers 2021



### 5.7.3. ANALYSIS OF CRITICAL SUPPLIERS

The ACS Group's companies carry out an analysis to identify critical suppliers in their supply chains. The Group considers a supplier to be critical when the percentage of procurement or subcontracting expenses are significantly greater than the average for the company's other suppliers, as well as suppliers of critical components and/or non-replaceable suppliers.

Therefore, companies that represent 97.3% of the Group's procurement expenses have determined processes to identify critical suppliers. As a result of these processes, the main data from the analysis of critical suppliers is as follows:

- Of these, 7.1% are considered critical suppliers. These suppliers represent 66.3% of the total costs for Group companies with critical suppliers.
- Almost all these suppliers consider the ACS Group to be a key client to their business.

Given the importance of the supply chain analysis for risk management for the Company, the ACS Group companies

identify their direct critical suppliers (tier-1 critical suppliers). In 2021, the ACS Group evaluated the 5,493 tier-1 critical suppliers in terms of sustainability of 5,686 identified tier-1 critical suppliers, representing 96.6% of the total. Of these 5,493 critical tier-1 suppliers assessed, 6.3% of them were found to be at risk in terms of sustainability, understood as the lack of certificates, breaches or other risks detected. Depending on the risks detected the reasons for the negative assessment are analysed and initiatives are proposed to strengthen the identified areas of improvement that include, among other things, training and collaboration activities, or whether it is a serious breach can lead to the immediate termination of contracts or agreements relating to suppliers.

Likewise, the Group companies have begun to extend the scope of this analysis of the Group's supply chain, reaching the critical suppliers of the direct suppliers (tier-2 critical suppliers). The number of these suppliers identified in 2021 was 56,270 suppliers in this category, of which 56,229 have been assessed at least once in the last 3 years.

#### AVERAGE PAYMENT PERIOD TO SUPPLIERS

The following table details the information required by additional provision two of Law 31/2014, of 3 December, which was prepared in accordance with the Spanish Accounting and Audit Institute (ICAC) Resolution of 29 January 2016 on the information to be included in the management report in regard to the average payment period to suppliers in commercial operations:

|  | 2020               | 2021      |
|--|--------------------|-----------|
|  | Days               |           |
| Average period of payment to suppliers | 60                 | 58        |
| Ratio of transactions paid             | 57                 | 50        |
| Ratio of transactions pending payment  | 67                 | 78        |
|  | Thousands of Euros |           |
| Total payments made                    | 2,836,313          | 1,373,688 |
| Total payments pending                 | 1,372,500          | 526,606   |

## 5.7.4. RISK MANAGEMENT IN ISSUES RELATING TO THE SUPPLY CHAIN

Among the functions attributed to the Audit Committee of the Group's Board of Directors is the review, monitoring and assessment of the Company's Sustainability Policy and its practices, as well as the other related internal regulations, including the Code of Conduct for Business Partners.

The ACS Group companies will carry out these policies, which will be carried out in accordance with the characteristics and needs of each of the Group companies.

Likewise, according to the risk map prepared by the Group, the risks based on the relevance that they may have for the performance of the company's activity have been prioritised, in accordance with the type of activity, action areas, policies and management approaches, and throughout the report, the results obtained from this prioritisation of potential risks for the performance of the activity related to the supply chain as well as the management measures adopted by the ACS Group.

In managing the risk chain, it must be considered that the possible improper practices of the suppliers of a company pose a potential risk that, if it materialises, may hinder their ability to do business. It is necessary to assess counterparty risks, both at the level of personnel, security and health, the environment and ethics, integrity and rights to which it is exposed and to be involved in constantly improving its performance. To do so, the Code of Conduct for Business Partners, which establishes the basic principles of action that the Shareholders must comply with in their relationship with the Group, as well as the management systems expected from them in certain aspects. Likewise, in addition to the own management systems defined by companies in their relationship with suppliers, the specific regulations of the Group on issues such as the Environmental Policy or the Corporate Protocol on Due Diligence in Human Rights or the Criminal Compliance and Anti-Bribery Policy, extend not only to the Group's employees but to the entire value chain.

| Issue                                       | Potential risks   | Detection, prevention, management and mitigation measures   | Associated management indicators   | Applicable Policies ACS Group  |
|---|---|---|--|--|
| Responsible management of the supply chain. | <p>The management systems responsible for suppliers and contractors allow for the mitigation of the potential risks associated with the supply chain, improving processes and working conditions, and creating opportunities and lasting relationships of trust. Otherwise, the failure to implement a responsible management system might pose significant legal and operational risks for the Group.</p> <p>Associated risk Risk Map: Purchases/Subcontracting</p> <p>The main risks associated with this material issue that forms part of the group's risk management system are:</p> <ul style="list-style-type: none"> <li>• Increase in costs associated with activities.</li> <li>• Loss of market share.</li> <li>• Loss of license to operate.</li> </ul> | <p>Company's suppliers and contractors meet their commitments and expectations through awareness-raising through established ethical and environmental principles. This management must be carried out through the dissemination and application of environmental, social and governance (ESG) criteria in business relationships with third parties. The ACS Group therefore has:</p> <ul style="list-style-type: none"> <li>• Supplier approval and selection systems</li> <li>• Code of Conduct for business partners</li> <li>• Supply chain impact management</li> <li>• Training of suppliers</li> <li>• Due diligence (financial and non-financial) in the supply chain</li> <li>• Inclusion of ESG criteria in supply chain management</li> <li>• ESG clauses to suppliers</li> </ul> | <p>Of the 80,328 suppliers and contractors with which the ACS Group worked during 2021, 86.13% accepted by signing or have a procedure similar to the Code of Conduct for Business Partners of the ACS Group.</p> <p>In the formal supplier approval systems, the weight of the factors related to sustainability (environmental, ethical and social criteria) out of the total factors used for the approval varies according to the companies' activities and areas of activity, but the weighted average weight of these factors exceeded 38.4% in 2021.</p> <p>In 2021, 57,785 suppliers had been assessed at least once in the last three years, representing 71.9% of the total suppliers.</p> | <ul style="list-style-type: none"> <li>• Code of Conduct Business Partners</li> <li>• Risk Control Policy.</li> <li>• Human Rights Policy</li> <li>• Corporate Protocol on Due Diligence in regard to Human Rights</li> <li>• Sustainability Policy</li> </ul> |

## 5.8. COMMITMENT TO QUALITY WITH THE CUSTOMER



### 5.8.1. QUALITY IN OUR ACTIVITIES

For the ACS Group, which works in an industry with high technical sophistication, quality represents a fundamental competitive advantage over the competition.

Quality management at the ACS Group is decentralised, whereby each company is responsible for managing quality. Although each company is granted autonomy to manage quality in accordance with its operations, they all follow common lines of action:

- Establishment of objectives and regular assessment of compliance with them.
- Development of actions aimed at improving the quality of the services provided.
- Performance of actions in collaboration with suppliers and subcontractors to improve quality.

In order to move forward, most Group companies have a quality management system. These are periodically audited to verify compliance and conformity with the reference standard, with the most common type of certification among Group companies being the ISO 9001 certificate.

The general objectives for improvement include:

- Obtain and expand the scope of the certifications, especially as regards developing a new technique or expanding activities to a new geographical area.
- Implement tools to improve management.
- Improve specific performance indicators.
- Improve the training of supervisors, operators and works managers.

### MAIN MANAGEMENT INDICATORS - QUALITY

The percentage of production certified according to ISO 9001 increased compared to 2020 from 43.8% in 2020 to 46.4% in 2021.

It is important to consider in these data the weight of ACS Group activity in the US and Canada (59.0% of total sales in 2021) since this type of certificate (ISO 9001) is not prevalent among quality management systems in this region.

| ISO 9001 certified production | 2020         | 2021         |
|-------------------------------|--------------|--------------|
| Construction                  | 40.5%        | 43.1%        |
| Concessions                   | 9.3%         | 19.9%        |
| Services                      | 98.0%        | 98.0%        |
| <b>Total ACS Group</b>        | <b>43.8%</b> | <b>46.4%</b> |

| Other management indicators  |        |        |
|--|--------|--------|
| Number of quality audits   | 11,715 | 12,030 |
| Number of quality audits per million euros of turnover   | 0.45   | 0.46   |
| Investment in measures to promote and improve Quality (mn euros)   | 0.4    | 0.6    |
| Intensity of investment in measures to promote and improve Quality (euros investment/ mn euros turnover) | 57.2   | 73.3   |

## 5.8.2. CUSTOMER RELATIONS

The nature of the ACS Group's business means that the number of clients to which it relates is very small, with some being large corporations or worldwide public institutions. Due to this, and in a highly competitive market, it is essential to maintain a high degree of trust with clients to establish stable and lasting relationships over time. One of the Group's its priorities is therefore to ensure the highest standards of excellence and quality in the products and services offered.

The strategy of client relations is built on the following main principles:

- Excellence in service and guidance to solve problems.
- Feedback from the relationship with the client, in order to be aware of and meet the expectations of the client.
- Transparency in the information on the ACS Group's capabilities
- Identification of future needs and opportunities for collaboration

### FOLLOW-UP AND COMMUNICATION

The ACS Group companies hold regular follow-up meetings with clients, through the managers of each project. In specific projects in which clients devote resources to controlling production, even more continuous contact will be maintained.

In addition, targets, follow-up systems and plans for reporting to the customer are determined for each project. These plans establish control points at the end of important phases in the production, certification meetings for payment in instalments of the construction work and partial follow-up points.

Likewise, the Group continues to progressively implement computerised customer relationship management (CRM) systems to collect information relating to clients, in order to facilitate analysis and the carrying out of actions to improve satisfaction.

### SAFETY DURING THE PANDEMIC

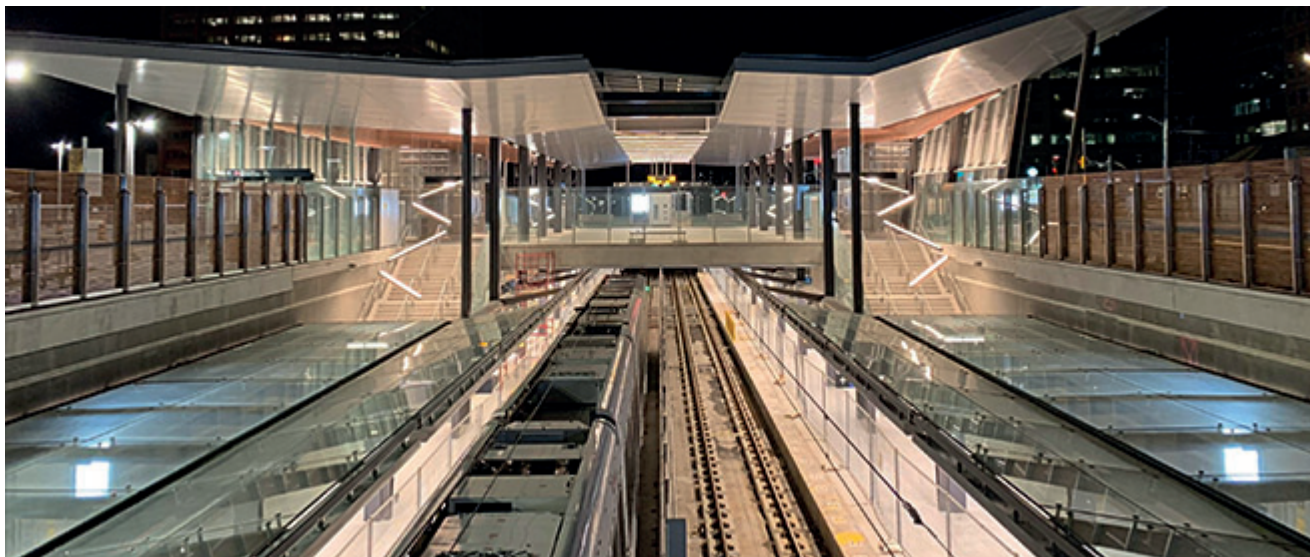
In 2021, Clece continued to apply the strictest protocols to protect end users during the global pandemic caused by COVID-19. This situation has particularly affected sectors such as the social-health sector (nursing homes, home support service, etc.), child education, and hospital cleaning, due to the vulnerability of the users of these services. For this reason, Clece, which operates in all these sectors, has implemented, all this time, a series of measures and protocols included in its Management Policy, the aim of which was to maintain and strengthen the safety of both the users of its services and the Company's workers. Within this framework of measures and protocols, an additional effort was made focusing on obtaining several certifications, issued by recognised bodies, that support and guarantee certain activities carried out by Clece.

In the area of social-health services, Clece obtained the UNE 158101/201/301/401 certificate for the Promotion of Personal Autonomy. This recognition ensures that all services offered to users of nursing homes, day centres, telephone services and home support services are carried out with a high level of demand and continuous improvement.

In 2021, the COVID Certificate was also obtained, which certifies the fact that all Clece children's schools, nursing homes, and home support services have established the appropriate containment measures to ensure that users are protected from exposure to COVID-19. These measures have not only helped to protect users but also workers, which is of paramount importance for Clece.

In the area of educational services, the ATX Allergy Protection Certificate issued to Clece guarantees the protection of multiallergic boys and girls in children's schools, so that they can enjoy a full menu in complete safety and, in turn, convey trust and transparency to their relatives.

Obtaining these certifications, as well as the maintenance of those obtained previously, is the result of the importance that Clece attaches to social management.



## CUSTOMER SATISFACTION

ACS's second key customer relationship management policy is measuring customer satisfaction and establishing plans for making improvements. Therefore, companies representing 98.4% of the Group's sales have defined a customer satisfaction measurement system.

In addition, companies representing 19.5% of the Group's sales have established formalised measurement systems for customer complaints and claims (17.8% in 2020). In this respect, it is important to take into account that the company's business is not focused on end clients, but rather on the business with other companies or with the public administration, so these systems are mainly managed using personalised tracking systems. In 2021, 1,721 complaints were received, 91.0% of which were settled in the report year.

For projects that pose greater technological challenges, the ACS Group also establishes alliances with partners (normally detailed engineering companies), which help to offer end clients the best technical and economic solutions.

Another of the Group's values is confidentiality. ACS Group companies' contracting and customer relationship departments promote responsible use of information, therefore guaranteeing customer confidentiality.

As a result of this good relationship, proximity, transparency and customer satisfaction regarding quality expectations on the services provided, the level or recurrence of ACS Group customers is very high.

| MAIN MANAGEMENT INDICATORS – CUSTOMERS (1)   | 2020  | 2021  |
|--|-------|-------|
| Number of customer satisfaction surveys received   | 1,067 | 1,298 |
| Percentage of "satisfied" or "very satisfied" customer responses over total number of surveys RECEIVED (%) | 94.4% | 95.8% |

(1) The 2020 and 2021 scope of the data is 19.27% and 21.07%, respectively.

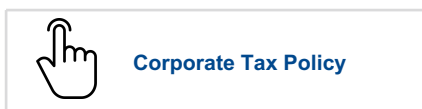


## 5.9. TAX INFORMATION



### ACS GROUP CORPORATE TAX POLICY

In 2015, the ACS Board of Directors approved the corporate Fiscal Policy, in accordance with which it aims to establish a collaborative relationship with the tax authorities based on mutual trust and transparency. In addition, the Group is committed to not creating artificial corporate structures unrelated to the Company's business activity for the sole purpose of reducing its tax burden or to generate a lack of transparency, and to not carry out operations between related companies aimed at reducing taxable bases and artificially transferring profits to low-tax territories.



All Group companies comply in every country with the applicable tax regulations in relation to transparency and tax information.

Tax Practices promoted by the Spanish tax authorities (*Agencia Estatal de la Administración Tributaria*) and, in application thereof, voluntarily provides the aforementioned Agency with the Annual Fiscal Transparency Report, with special emphasis on the Group's international composition, including information related to tax havens.

Therefore, the ACS Group's current policy is not to promote the creation of new companies in tax havens or low or no-tax territories (unless strictly necessary for the execution of works or physical facilities in the territories), as well as to commit to the gradual liquidation of the existing companies. Several entities which are residents of tax havens are in the process of liquidation.

In accordance with tax regulations in the majority of countries, profit is taxed in the country in which it is obtained, that is, based on the nature of the construction activity, in the place where the construction work or facility is executed.



Based on this criterion, the table below gives a breakdown, by country, of the taxes paid by the ACS Group for all items, pre-tax profit, and the subsidies received in 2020 and 2021 (amounts in thousands of euros):

| <b>TAXES PAID 2021</b>   |                  |                             |                             |                        |                          |                           |
|--|------------------|-----------------------------|-----------------------------|------------------------|--------------------------|---------------------------|
| <b>Country</b>   | <b>TOTAL</b>     | <b>Profits tax paid (1)</b> | <b>Other taxes paid (2)</b> | <b>Taxes collected</b> | <b>Pre-tax profit(3)</b> | <b>Subsidies received</b> |
| Spain  | 846,868          | 10,331                      | 347,582                     | 488,955                | -17,792                  | 246                       |
| United States  | 671,565          | 101,011                     | 182,077                     | 388,477                | 202,678                  |                           |
| Australia  | 343,849          | -15,094                     | 160,165                     | 198,779                | 282,780                  |                           |
| Canada   | 53,798           | 28,452                      | 6,557                       | 18,790                 | -139,104                 |                           |
| United Kingdom   | 33,522           | -132                        | 11,962                      | 21,692                 | 22,540                   |                           |
| Poland   | 22,742           | 319                         | 7,012                       | 15,411                 | -671                     |                           |
| New Zealand  | 22,099           | 2                           | 2,674                       | 19,423                 | -121,651                 |                           |
| Chile  | 13,328           | 2,448                       | 1,029                       | 9,851                  | -10,443                  |                           |
| Germany  | 11,437           | 5,048                       | 31,849                      | -25,460                | -204,267                 |                           |
| Portugal   | 11,077           | 1,062                       | 3,594                       | 6,421                  | -422                     |                           |
| Argentina  | 9,435            | 226                         | 3,193                       | 6,016                  | 2,486                    |                           |
| Czech Republic   | 8,909            | 623                         | 5,400                       | 2,887                  | -127                     |                           |
| Peru   | 7,239            | 553                         | 987                         | 5,699                  | 5,152                    |                           |
| India  | 6,436            | -2,324                      | 1,663                       | 7,097                  | 4,706                    |                           |
| Luxembourg   | 6,275            | 2,124                       | 1,259                       | 2,892                  | 37,901                   |                           |
| Singapore  | 6,203            | 4,985                       | 1,081                       | 137                    | -15,626                  |                           |
| Mexico   | 6,111            | 91                          | 194                         | 5,826                  | 53,658                   |                           |
| Indonesia  | 6,069            | 1,450                       | 473                         | 4,147                  | -30,372                  |                           |
| Others (*)   | 15,778           | 4,331                       | 4,531                       | 6,912                  | 67,561                   |                           |
| Unattributable consolidation adjustments & equity method results (4) |                  |                             |                             |                        | 222,999                  |                           |
| <b>TOTAL</b>   | <b>2,102,740</b> | <b>145,506</b>              | <b>773,282</b>              | <b>1,183,952</b>       | <b>361,986</b>           | <b>246</b>                |
| Provisions for revaluation of operating risks                        |                  |                             |                             |                        |                          |                           |
| - Spain  |                  |                             |                             |                        | -133,844                 |                           |
| - United States  |                  |                             |                             |                        | -170,640                 |                           |
| <b>Profit before taxes</b>   |                  |                             |                             |                        | <b>57,502</b>            |                           |
| Income from discontinued operations, taxes and minority interest     |                  |                             |                             |                        | 2,987,911                |                           |
| <b>RESULT OF PARENT COMPANY</b>                                      |                  |                             |                             |                        | <b>3,045,413</b>         |                           |

Note: Data for 2020 have been restated as a result of the sale of most of the Industrial Division to Vinci.

(\* ) Countries with taxes paid of less than 5 million euros.

(1) Significant deviations from the nominal tax rates of each country are due to the fact that the tax rules themselves generate differences between the tax in terms of payment and accrual, such as the application of tax credits for losses or the realization or refund of payments on account. These differences are offset in the long term.

(2) The OECD methodology includes Social Security contributions as taxes paid.

(3) The breakdown by country corresponds to the profit before taxes according to the consolidated income statement excluding results under the equity method and excluding the attribution to minority interests.

(4) Accounting consolidation items not objectively attributable to specific countries are included (mainly amortization of PPA Purchase Price Allocation of acquisitions) as well as results under the equity method (which, in accordance with accounting regulations, are presented net of taxes, since no further information is available since they are not companies controlled by the group), with no impact on the payment of taxes in any of them.

| TAXES PAID 2020  |                  |                      |                      |                  |                   |                    |
|--|------------------|----------------------|----------------------|------------------|-------------------|--------------------|
| Country  | TOTAL            | Profits tax paid (1) | Other taxes paid (2) | Taxes collected  | Pre-tax profit(3) | Subsidies received |
| Spain  | 830,027          | 77,304               | 323,004              | 429,720          | 464,653           | 538                |
| United States  | 633,502          | 55,494               | 171,060              | 406,948          | 24,878            |                    |
| Australia  | 617,401          | 5,239                | 193,751              | 418,411          | 550,253           |                    |
| Germany  | 120,063          | 4,771                | 36,130               | 79,162           | -31,409           |                    |
| Indonesia  | 94,849           | 33,217               | 15,971               | 45,661           | -58,024           |                    |
| Singapore  | 37,123           | 35,959               | 1,104                | 61               | 36,972            |                    |
| United Kingdom   | 34,336           | 1,119                | 10,093               | 23,123           | 6,042             |                    |
| Poland   | 22,477           | 178                  | 5,832                | 16,467           | -24,631           |                    |
| Canada   | 19,959           | 5,087                | 3,314                | 11,557           | 158,148           |                    |
| New Zealand  | 18,653           | 71                   | 1,246                | 17,336           | -77,243           |                    |
| Mongolia   | 12,357           | 12,054               | 1,374                | -1,071           | -13,442           |                    |
| Chile  | 10,874           | -500                 | 927                  | 10,447           | -2,197            |                    |
| Portugal   | 9,732            | 136                  | 3,309                | 6,286            | 123               |                    |
| Czech Republic   | 9,440            | 94                   | 5,474                | 3,871            | 1,753             |                    |
| Peru   | 9,065            | 1,079                | 685                  | 7,302            | -9,123            |                    |
| Luxembourg   | 8,946            | 3,991                | 1,019                | 3,936            | 40,042            |                    |
| The Netherlands  | 8,551            | 10                   | 143                  | 8,397            | 72                |                    |
| India  | 6,814            | 427                  | 1,674                | 4,713            | -342              |                    |
| Hong Kong  | 5,502            | 4,935                | 360                  | 206              | -13,192           |                    |
| Argentina  | 5,498            | 337                  | 1,963                | 3,197            | -2,753            |                    |
| Botswana   | 5,190            | 2,327                | 881                  | 1,982            | 27,288            |                    |
| Others (*)   | -22,274          | 5,812                | 5,616                | -33,698          | -47,343           |                    |
| Unattributable consolidation adjustments & equity method results (4) |                  |                      |                      |                  | -126,102          |                    |
| <b>TOTAL</b>   | <b>2,498,085</b> | <b>249,141</b>       | <b>784,930</b>       | <b>1,464,014</b> | <b>904,423</b>    | <b>538</b>         |
| 0  |                  |                      |                      |                  | -330,418          |                    |
| <b>0</b>   |                  |                      |                      |                  | <b>574,005</b>    |                    |

Note: Data for 2020 have been restated as a result of the sale of most of the Industrial Division to Vinci.

(\*) Countries with taxes paid of less than 5 million euros.

(1) Significant deviations from the nominal tax rates of each country are due to the fact that the tax rules themselves generate differences between the tax in terms of payment and accrual, such as the application of tax credits for losses or the realization or refund of payments on account. These differences are offset in the long term.

(2) The OECD methodology includes Social Security contributions as taxes paid.

(3) The breakdown by country corresponds to the profit before taxes according to the consolidated income statement excluding results under the equity method and excluding the attribution to minority interests.

(4) Accounting consolidation items not objectively attributable to specific countries are included (mainly amortization of PPA Purchase Price Allocation of acquisitions) as well as results under the equity method (which, in accordance with accounting regulations, are presented net of taxes, since no further information is available since they are not companies controlled by the group), with no impact on the payment of taxes in any of them.

The ACS Group also participated in the Major Business Forum, which is the framework for collaboration between large companies and the Spanish tax administration and is

based on the principles of transparency and mutual trust, through the knowledge and sharing of any problems that may arise in the application of the tax system.

## TAX RISK MANAGEMENT

As established in the Board Regulations of the ACS Group, the functions of the Board that cannot be delegated include the determination of the Group's tax strategy.

The Board is also responsible for approving the Group's General Risk Management and Control Policy and setting the acceptable level of risk at all times. These different areas also include the management of financial, non-financial and tax risks.

Within the Board, the functions of the Audit Committee include supporting the Board in the regular monitoring and assessment of the Group's Comprehensive Risk, Financial and Non-Financial Control and Management System, specifically:

- Ensuring that the different types of risks to which the Group is exposed are adequately identified and assessed, and that the level of risk considered acceptable is defined and set.

- Reviewing the measures established to mitigate the impact of the risks, compliance with regulatory requirements, adequate definition of the consolidation scope and proper application of accounting criteria.
- Monitoring the effectiveness of the risk management systems and directly oversees the internal risk control and management duties carried out by the responsible areas within the Group.



### 2.3. Efficient risk management



## 5.10. INNOVATION



In an increasingly competitive and demanding context, the ACS Group is aware of the importance of anticipating future trends and demands in pursuing global leadership. The Group therefore promotes innovation and research aimed at finding solutions to improve processes, incorporate technological advances and improve the quality of the services provided.

The Company's commitment to innovation is evident in the significant investment in R&D+i made by the ACS Group every year, which reached EUR 38.7 million in 2021<sup>7</sup>. The result of this effort leads to, among others, improvements in productivity, quality, customer satisfaction, occupational safety, the use of new materials and products, and the design of more efficient production processes and systems.

*THE ACS GROUP INVESTED MORE THAN 38.7 MILLION EUROS IN RESEARCH IN 2021*

Management of innovation at Group companies normally has the following characteristics:

- The function is assumed by technology management, generally by the Technological Development Committee.
- R&D is managed through recognised management systems, customarily the UNE 166002:2006 standard.
- Compliance with reference standards is reviewed through independent audits.

Compliance with the requirements of the systems usually involves the development of individual strategic lines of research, collaboration with external organisations, investment that seeks to promote research and regular generation of new patents and operating techniques.

*IN 2021, THE ACS GROUP HAD 81 PROJECTS UNDERWAY AND DURING THE LAST 10 YEARS, THE GROUP COMPANIES HAVE REGISTERED A TOTAL OF 41 PATENTS.*

The ACS Group's capabilities were strengthened and complemented through the alliances with technological centres, research institutes and universities, as well as other institutions related to R&D in order to successfully complete the innovation processes. In this sense, the Group has made a notable commitment to developing innovation projects related to sustainability.

*IN 2021, THE ACS GROUP DEVELOPED 28 SPECIFIC INNOVATION PROJECTS RELATED TO SUSTAINABILITY.*

The projects developed in the ACS Group's Innovation area are aimed at responding to the specific challenges and opportunities presented in the current construction and services environment, representing one of the Group's key lines for the creation of value. The main lines of development of the Group's Innovation activities are related to:

- Solutions relating to sustainability, efficiency and climate change:
  - Development of construction materials and techniques to improve the resilience of infrastructure.
  - Improvement of resource efficiency
  - Development of solutions for Smart cities
- Automation of processes, digitalisation and data management:
  - BIM and virtual reality
  - Artificial intelligence
  - Shared learning systems
  - The Internet of Things

<sup>7</sup> Scope of the data: 42.4% of sales

## NEXPLORE

HOCHTIEF is working with ACS and the Group's operating companies to actively promote digitalisation in its main activities through the company Nexple, created in 2018. Nexple is a digital transformation incubator and accelerator that takes advantage of the existing digital innovation capacity within the ACS Group.

Nexple combines cutting-edge research with front-line institutions and world-class technical capabilities to enhance collaboration and progress in the sector worldwide, including innovation and digital development centres. The aim is to make the most of the opportunities offered by digitalisation for the business, such as artificial intelligence, virtual reality, the Internet of Things and Industry 4.0.

### Nexple productivity

This digital tool captures the overall state of a construction process with the naked eye within a cloud platform that allows users of the tool to capture, review, compare and view all project data in a single, centralised system. The tool thus provides a clear picture of the overall status of the project, helps to identify and follow design problems, as well as to visualize, process and analyse point clouds for infrastructure projects. The tool simplifies productivity management in complex projects with clear visibility of the overall state of the project, allowing users to review the actual progress with regard to the timing and actual costs with regard to the budget.

### Nexple drone services

This digital product provides continuous and accurate monitoring of progress in construction works through the use of drones. The process is significantly more efficient and accurate than conventional methods, and simplifies documentation with the availability of reliable data. It also improves work safety, especially when deployed in difficult terrain. Other benefits of the system are that it ends the lack of data in remote or inaccessible areas, provides a solid basis for decision-making and prevents unforeseen costs due to unforeseen mass movements.

### Nexple quality control

This digital and modular system encompasses an increasing range of functions, such as inspection management, quality alerts, photo loading and exchange, task and fault management, electronic forms and the work journal. It offers a cost-effective and flexible solution for the various stakeholders of the project, such as contractors, subcontractors, consultants and customers. Nexple Quality Control replaces error-prone processes, such as data collection based on forms, communication and archiving.

### Nexple Security Camera

The Nexple Chamber of Safety is a flexible and scalable proximity vision solution with AI technology to detect the presence of people and alert them to construction works. Developed especially for the construction sector, it mitigates the security risks around mobile facilities and reduces reliance on human supervision. A proximity visual and sound warning system helps to avoid collisions in the work. Up to eight ultra-modern HD cameras (180°) per unit guarantee coverage without blind points. The cameras operate in various light and weather conditions and are compatible with a wide range of vehicle types.

### Nexple Deliveries

Nexple Deliveries is a unique tool for all parties involved in the logistics of a project to schedule and approve deliveries in the available time slots. The platform provides a detailed overview of all planned deliveries, materials and number of vehicles, with notifications of the status of deliveries for all those involved. The works are therefore efficiently and safely supplied, and materials can be monitored from start to end.

## **AUTONOMOUS ROBOTICS FOR INSPECTION AND EVALUATION OF EXISTING BUILDINGS, WITH BIM TECHNOLOGY (DRACE GEOCISA)**

The overall objective of the project was the development of an automated, active and multidisciplinary technology for inspection, assessment and diagnosis of the composition and state of conservation and energy efficiency of buildings, which facilitates the obtaining of accurate and sufficiently detailed information on the constructive systems and pathologies as well as a thorough analysis of the building.

The new automated system is based on the use of a light and autonomous mobile robot, both in its displacement and in its feeding, with the ability to access any part of the envelope. In addition, it can be operated remotely. The new tool has the capacity to exchange specific measurement elements (endoscopy, ultrasound, georadar, metal detection, corrosion, thermohigrometry) and action (pressure and/or sensor installation) on the envelopes of the buildings.

The specific project developments are:

- Integrated autonomous robot - a mobile structure capable of accessing any surface of the envelope of a building and move through it.
- Integrated autonomous robot with high possibilities of accessibility for inspection anywhere on the façade.
- System of interchangeable items as instruments for inspection tasks.
- Mobile robot positioning system on vertical surfaces.
- Geometric data collection by the Robot and automated raising of the envelope in the BIM model.
- Creation of a BIM model own injury database.
- Interconnection with the building maintenance and operation systems.
- Software BIM navigation and export.

The project has a high degree of innovation and technological risk that includes numerous challenges in order to overcome the current barriers and achieve a competitive improvement in the conservation and rehabilitation of the existing buildings, leading to significant progress in the identification, assessment and early diagnosis of building envelopes.



## OPTIMISATION OF THE FUNCTIONING OF TUNNELLING MACHINES (TBM) THROUGH PHYSICAL MODELLING AND ARTIFICIAL INTELLIGENCE (DRAGADOS)

The objective of this project is to provide real-time operational intelligence to tunnelling machines (TBM) to improve their performance, reduce risks and their operating cost.

To achieve this, the project uses two types of techniques to analyse the performance data of the tunnelling machine:

- a. Analysis based on physical models of the various components of the tunnelling machine that feed on the data generated by the machine and the work as the excavation takes place. This technique is used when the Physics of the system that will be analysed and models can be simulated to predict the performance of the machine are well known.
- b. Analysis based on Artificial Intelligence based on the data of the TBM and the work as they are generated. Sometimes the physical modelling of the tunnelling subsystems is elusive. This means that even if it is possible to define a physical model, the results may have a high degree of uncertainty or the input parameters may be difficult or impossible to measure accurately. In this case, automatic learning techniques (Machine Learning, Deep Learning) can be used to predict TBM performance.

The final result sought with these two types of systems is to make operational adjustments to optimise the performance of the tunnelling machine. That is, "operator assistance" is implemented from much more complex information than that which an individual can reasonably handle in real time. It is a conceptually similar system to advanced driving assistance systems that are beginning to be seen in modern cars.

There are a number of areas in the field of excavation with TBM that can assist the operator and improve the machine's performance, including the following:

- Optimisation of soil conditioning.
- Deformation control.
- Optimisation of the rate of progress.
- Prediction of the land ahead of the machine, which allows risks to be anticipated.
  - a. Detection of anomalies.
  - b. Control of tool wear and planning of interventions.

To prove that the results of the project are those expected, the improvement that these techniques provide on the regular performance of the tunnelling machines must be measurable in terms of improving the various parameters of the tunnelling machine, material savings, cost reduction or other variables of the work that may be of interest in the execution of the project. This project is currently being developed in DRAGADOS and DRAGADOS USA in collaboration with the Colorado School of Mines as a research centre and has been implemented in Los Angeles Effluent Outfall's work in the US. Its next implementation is expected in Hampton Roads and Chesapeake projects.



## EXPANDING BIM CAPACITIES AT HOCHTIEF

Building information modelling (BIM) is the digital tool of the future for executing projects. Customers from various countries are now demanding that BIM be used in the design and construction of projects. The methodology is based on actively connecting all people that participate in a project using 3D computer models that can be detailed with additional information. Based on this model, project participants can also calculate the carbon footprint and possible savings.

HOCHTIEF recognised this potential from the outset and founded the company HOCHTIEF ViCon GmbH, which specialises in these methods. The objective is to make HOCHTIEF ViCon the BIM expert for all of HOCHTIEF, offering courses in this area for the company's own employees as well as providing courses to other companies and serving as a consultant and adviser specialised in BIM for projects undertaken by the public administration or private companies. In addition, BIM is already used in many HOCHTIEF companies.

The development of innovative applications for building information modelling (BIM) continued to be a common long-term focal area for all corporate units in 2021. During the year, the total number of employees trained in the most recent iteration of this technology was 2,842, compared to 5,973 in 2020. To train BIM professionals, HOCHTIEF ViCon collaborates with Ruhr University Bochum and the Technical University of Munich, among others. Training and use of these new technologies is necessary to offer sustainable products and services when meeting clients' needs and, therefore improve their positioning in the market.



## 5.11. EUROPEAN UNION TAXONOMY

### CONTEXT AND INTRODUCTION

The European Green Pact is a new growth strategy aimed at transforming the EU into an equitable and prosperous society, with a modern, resource-efficient and competitive economy, with no net greenhouse gas emissions by 2050.

To achieve these environmental and social objectives, the EU has developed a regulatory framework that contains different regulations and plans, specifically the Sustainable Finance Action Plan. Its three main objectives are:

1. Redirecting capital flows to sustainable investments to achieve sustainable and inclusive growth.
2. Managing the financial risks arising from climate change, resource depletion, environmental degradation and social problems.
3. Promoting transparency and long-term thinking in financial and economic activities.

In relation to the first objective, the need to develop a common framework defining what is sustainable and what is not arose. As a result, Regulation (EU) 2020/852 of the European Parliament and of the Council (the EU Taxonomy Regulation) was passed. This is a classification of economic activities that contribute to the EU's environmental objectives.

The Taxonomy is structured based on six environmental objectives that are: 1) climate change mitigation, 2) adaptation to climate change, 3) pollution prevention and control, 4) transition to a circular economy, 5) sustainability and protection of water and marine resources and 6) protection and restoration of biodiversity and ecosystems.

The Taxonomy sets out a list of activities that substantially contribute to one or more of the objectives are found in the documents called Delegated Acts in which the technical criteria that an activity must meet are included. Currently, they have only published the activities that contribute to the

objectives of climate change mitigation and adaptation. The activities of the other four environmental targets are expected to be published in the first half of 2022.

It is important to note that taxonomy distinguishes two scopes in terms of disclosure requirements:

- **Taxonomically Eligible Activities:** An economic activity eligible for the Taxonomy is an economic activity described in the Delegated Act, regardless of whether this economic activity meets any or all technical selection criteria.
- **Taxonomically Aligned Activities:** An economic activity aligned with the Taxonomy is an economic activity that meets all the requirements established in the Taxonomy Regulation:
  - a. **Contributing substantially to one of the environmental objectives:** This criterion refers to the positive impact that an activity has on one of the six environmental objectives.
  - b. **The analysis of "not causing significant harm":** The purpose of the assessment is to ensure that Taxonomy itself does not include economic activities that undermine any of the other five environmental objectives.
  - c. **Compliance with minimum social safeguards:** At the corporate level, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights must be complied with.

The ACS Group is obliged to identify and report taxonomically eligible activities within its business based on information from the 2021 financial year on climate change mitigation and adaptation targets. From the 2022 financial year onwards, the Regulation requires that the ratio of taxonomically aligned activities be published.

#### 5.11.1 ASSESSMENT OF ELIGIBILITY

Following the analysis of the ACS Group carried out by cross-sectional teams from each of the subsidiaries coordinated from the financial and sustainability area of ACS, the following Taxonomically eligible activities under the Regulation (EU) 2020/852 were identified.

The most significant eligible activities due to their weight in the ACS Group business would be as follows:

- Infrastructure for rail transport
- Infrastructure that allows low-carbon transport by road and public transport
- Construction of new buildings

The results of the analysis also show other activities carried out by the ACS Group that are classified within the following Taxonomic macro-sectors.

Taxonomical Macro-sectors and activities that contribute to climate change mitigation: forestry, energy, water supplies, sanitation, waste treatment and decontamination, transport, building construction activities and real estate development, professional, scientific and technical activities

Taxonomic Macro-sectors and activities that contribute to adaptation to climate change: education, health and social services activities and creation, artistic and entertainment activities.

### 5.11.2 SCOPE OF THE REPORT

All groups of companies that are part of the consolidation scope of the ACS Group were considered in the assessment carried out to identify the activities eligible under EU Taxonomy.

The procedure for performing the classification was based on the individual analysis of the activity portfolio of each of the companies based on the common guidelines established by the ACS sustainability team.

### 5.11.3 CALCULATION OF INDICATORS

The indicators were calculated based on the Delegated Act stipulated in Article 8 of Regulation (EU) 2020/852.

#### Turnover

The proportion of turnover referred to in Article 8 (2) (a) of Regulation (EU) 2020/852 was calculated as part of the net turnover arising from products or services, including intangible ones, associated with economic activities that are eligible in the taxonomy (numerator), divided by the total net turnover (denominator).

Turnover includes revenue recognised in accordance with International Accounting Standard (IAS) 1, paragraph 82, point a), adopted by Commission Regulation (EC) No 1126/2008.

The numerator includes the sum of the turnover of the taxonomically eligible activities that have been identified in the ACS Group portfolio and the denominator contains the total balance of the ACS Group turnover figure.

In the Taxonomic context, the business volume indicator aims to present a current picture of the contribution of the activities carried out by the company in relation to the targets set by the EU, in terms of eligibility.

In 2021 in terms of eligibility, the indicator reflected the potential contribution to the European environmental objectives of the ACS Group, i.e. the role and relevance that the company will have in decarbonisation.

In total, they have been identified 22 eligible economic activities within the framework of the ACS Group of which 19 are classified under activities contributing to climate change mitigation and 3 to contribution to adaptation to climate change.

In those cases where the activity appears under the two environmental objectives, the criterion of classifying the activities under the objective of contributing to the mitigation of climate change has been established.

To calculate the financial indicators, the Delegated Act of section 8 of the Taxonomy Regulation was followed in addition to the accounting policies of the ACS Group in which the consolidation criteria at Group level are included.

The collection and monitoring of financial data was supported on the SAP BPC platform tool used by the Group when consolidating the financial statements, thus avoiding double counting and ensuring that eliminations and adjustments are adequately considered.

#### CAPEX

The proportion of CapEx (investments in fixed assets) referred to in Regulation (EU) 2020/852 was calculated taking into account additions to property, plant and equipment, intangible assets and investment property, excluding depreciation and impairment, and also includes operating leases arising from right-of-use assets as included in Note 04.02. Other intangible assets 05 Tangible assets - Property, plant and equipment and 07 Real estate investments in the ACS Group's consolidated financial statements.

In this way, the total sum at Group level of the additions mentioned above was taken into account when calculating the denominator. The numerator is those investments (CapEx) that are related to assets or processes associated with Taxonomically eligible economic activities.

#### OpEx

The share of OpEx referred to in Regulation (EU) 2020/852 was established as follows.

The ACS Group includes the most material items for its activity and common items within its accounting processes, such as short-term lease, repair and maintenance expenses.

The concept of OpEx in the ACS Group's accounting is currently limited compared to the Taxonomic definition of this indicator, which is why materiality criteria have been taken when selecting the items included in the calculation.

This indicator in reference to Taxonomy reflects the associated costs of the ACS Group to ensure the proper functioning of a Taxonomic activity.

## 5.11.4 RESULTS

The results obtained after the analysis in each of the indicators in terms of the proportion of eligible and ineligible activities based on EU Taxonomy are shown below.

In the case of the Turnover indicator, 86.3% of eligibility was obtained, for the CapEx indicator 77.8% eligibility and

82.8% eligibility in the Opex. The result obtained in the Turnover indicator reflects that ACS activities play a very significant role in the transition to a low-carbon economy and society. Furthermore, the CapEx evidences a business strategy focusing on boosting sustainability.

### TURNOVER

| ECONOMIC ACTIVITIES   | CODE | TURNOVER VOLUME (CURRENCY) | TURNOVER PROPORTION (%) | SUBSTANTIAL CONTRIBUTION CRITERION |                           | CATEGORIZATION (T/ F) |
|---|------|----------------------------|-------------------------|------------------------------------|---------------------------|-----------------------|
|   |      |                            |                         | CLIMATE CHANGE MITIGATION          | CLIMATE CHANGE ADAPTATION |                       |
| <b>ELIGIBLE ACTIVITIES ACCORDING TO TAXONOMY (A)</b>                        |      |                            |                         |                                    |                           |                       |
| Infrastructure for rail transport   | 6.14 | 2,888.1                    | 10.4%                   | X                                  |                           | F                     |
| Infrastructure enabling low-carbon road transport and public transportation | 6.15 | 2,659.7                    | 9.6%                    | X                                  |                           | F                     |
| Construction of new buildings   | 7.1  | 12,331.5                   | 44.3%                   | X                                  |                           |                       |
| Others  |      | 6,147.2                    | 22.1%                   | X                                  | X                         |                       |

|   |          |       |   |         |       |                      |          |        |
|---|----------|-------|---|---------|-------|----------------------|----------|--------|
| TURNOVER FROM TAXONOMICALLY-ELIGIBLE ACTIVITIES (A) | 24,026.5 | 86.3% | TURNOVER FROM TAXONOMICALLY-NON ELIGIBLE ACTIVITIES (B) | 3,810.1 | 13.7% | TOTAL TURNOVER (A+B) | 27,836.7 | 100.0% |
|---|----------|-------|---|---------|-------|----------------------|----------|--------|

### CAPEX

| ECONOMIC ACTIVITIES   | CODE | SALES VOLUME (CURRENCY) | SALES PROPORTION (%) | SUBSTANTIAL CONTRIBUTION CRITERION |                           | CATEGORIZATION (T/ F) |
|---|------|-------------------------|----------------------|------------------------------------|---------------------------|-----------------------|
|   |      |                         |                      | CLIMATE CHANGE MITIGATION          | CLIMATE CHANGE ADAPTATION |                       |
| <b>ELIGIBLE ACTIVITIES ACCORDING TO TAXONOMY (A)</b>                        |      |                         |                      |                                    |                           |                       |
| Infrastructure for rail transport   | 6.14 | 48.0                    | 13.9%                | X                                  |                           | F                     |
| Infrastructure enabling low-carbon road transport and public transportation | 6.15 | 47.6                    | 13.8%                | X                                  |                           | F                     |
| Construction of new buildings   | 7.1  | 35.5                    | 10.3%                | X                                  |                           |                       |
| Others  |      | 137.9                   | 39.9%                | X                                  | X                         |                       |

|  |       |       |  |      |       |                   |       |        |
|--|-------|-------|--|------|-------|-------------------|-------|--------|
| CAPEX FROM TAXONOMICALLY-ELIGIBLE ACTIVITIES (A) | 269.0 | 77.8% | CAPEX FROM TAXONOMICALLY-NON ELIGIBLE ACTIVITIES (B) | 76.9 | 22.2% | TOTAL CAPEX (A+B) | 345.9 | 100.0% |
|--|-------|-------|--|------|-------|-------------------|-------|--------|



### 5.11.5 CONCLUSIONS

This first year of reporting on the Taxonomically eligible activities serves to lay the foundations for the Taxonomic report based on the alignment criteria. Eligibility based on the environmental objectives of climate change mitigation and adaptation shows the potential of the ACS Group to contribute to achieving the decarbonisation targets set by the EU (carbon neutrality by 2050).

The data obtained by the ACS Group in this first analysis showed that activities are carried out in key sectors identified by the European Commission when contributing to the transition to a low-carbon economy and society.

It should be noted that in 2021 the ACS Group developed a 2025 Sustainability Master Plan, setting out the strategic priorities and twelve commitments regarding sustainability.

In preparing the Plan, the aspects related to Taxonomy were included to gradually adjust the Group's internal methodology and processes to the requirements of the Regulation, which was evidenced by the objective, among others, of anticipating Climate Neutrality for 2045, which contributes directly to the climate change mitigation and adaptation objectives identified as priorities by the European Commission.

The ACS Group's sustainability strategy focuses on the objectives of the Taxonomy, which is a facilitating tool in meeting the targets established in the 2025 Direct Sustainability Plan.



## 5.12. CONTENTS OF THE CONSOLIDATED NFS

The scope of each of the non-financial management indicators can be found in annex 7.3.4. Scope of non-financial data.

| Information requested by the Non-Financial Information draft legislation   | Link with GRI contents  | Location Information included  |
|--|---|--|
| <b>General information</b>   |   |  |
| A brief description of the group's business model, which will include its business environment, organisation and structure, the markets in which it operates, its objectives and strategies, and the main factors and trends that may affect its future evolution.   | 102-2 Activities, trademarks, products and services<br>102-4 Location of operations<br>102-6 Markets served<br>102-7 Size of the organisation<br>102-15 Main impacts, risks and opportunities | 5.0. Business model<br>5.0.1. Strategy and trends<br>Page 90-91  |
| A description of the policies that the group applies in regard to the issues in question [environmental and social issues, respect for Human Rights and the fight against corruption and bribery, as well as in regard to personnel, including any measures that have been adopted to promote the principle of equal treatment and opportunities between women and men, non-discrimination and inclusion of persons with disabilities and universal accessibility], which will include the due diligence procedures applied to identify, evaluate, prevent and mitigate significant risks and impacts and verification and control, including what measures have been adopted.   | 103-2 Management approach and its components  | 5.1. Environment<br>5.2. People in the<br>ACS Group<br>5.4. Compliance<br>5.6. Contribution to<br>Society<br>Page 96,<br>119,125-126,144-146, 153-154  |
| The results of these policies, which must include key relevant non-financial results to monitor and evaluate progress and to promote comparability between companies and sectors, in accordance with Spanish, European or international reference frameworks used for each area.   | 103-2 Management approach and its components<br>103-3 Evaluation of the management approach   | 5.1. Environment<br>5.2. People in the<br>ACS Group<br>5.4. Compliance<br>5.6. Contribution to<br>Society<br>Page 96,<br>119,125-126,144-146, 153-154  |
| The main risks related to these issues [environmental and social issues, respect for Human Rights and the fight against corruption and bribery, as well as relating to personnel, including the measures that, where applicable, have been adopted to promote the principle of equal treatment and opportunities between women and men, non-discrimination and inclusion of people with disabilities and universal accessibility] linked to the group's activities, including, where relevant and proportionate, its commercial relationships, products or services that may have negative effects in these areas, and how the group manages these risks, explaining the procedures used to detect and assess risks in accordance with Spanish, European or international frameworks of reference for each subject. Information on the impacts detected should be included, providing a breakdown, in particular of the main risks in the short, medium and long term. | 102-15 Main impacts, risks and opportunities  | 5.0.2. Risks<br>5.1.5. Risk management in environmental issues<br>5.2.4. Risk management in Personnel issues<br>5.3.3. Management of health and safety risks<br>5.4.4. Compliance Risk management<br>5.7.3. Risk management on supply chain issues<br>Page 117-118,130,139,149,164 |

| <b>Information requested by the Non-Financial Information draft legislation</b>   | <b>Link with GRI contents</b>  | <b>Location Information included</b>   |
|---|--|--|
| Key indicators of non-financial results that are relevant to the specific business activity, and that meet the criteria of comparability, materiality, relevance and reliability. To facilitate comparison of information, both over time and between entities, standards of key non-financial indicators that can be generally applied and that comply with the European Commission's guidelines on this matter and the Global Reporting Initiative standards will be used, and the report must specify the Spanish, European or international framework used for each matter. The key non-financial result indicators should apply to each of the sections of the non-financial statement. These indicators must be useful, taking into account the specific circumstances and consistent with the parameters used in their internal risk management and assessment procedures. In any case, the information submitted must be accurate, comparable and verifiable. | 103-2 Management approach and its components<br>103-3 Evaluation of the management approach<br>102-54 Statement of reporting in accordance with the GRI Standards                              | 5.0.3 Evolution of relevant indicators for the non-financial management of the ACS Group<br>Page 94-95   |
| <b>Environmental Issues</b>   |  |  |
| <b>Detailed general information</b>   |  |  |
| Current and foreseeable effects of the company's activities on the environment and, where applicable, health and safety   | 102-15 Main impacts, risks and opportunities   | 5.1 Environment<br>Page 96   |
| Regarding Environmental assessment or certification procedures  | 102-11 Precautionary principle or approach<br>102-29 Identifying and managing economic, environmental and social impacts   | 5.1 Environment<br>Page 96   |
| Regarding resources devoted to environmental risk prevention  | 102-29 Identifying and managing economic, environmental and social impacts   | 5.1.5. Risk management in environmental issues<br>Page 117   |
| Regarding the application of the precautionary principle  | a. Precautionary principle or approach   | 5.1 Environment<br>Page 96   |
| Regarding the quantity of provisions and guarantees for environmental risks   | 307-1 Non-compliance with environmental legislation and regulations  | 5.1.5. Risk management in environmental issues<br>Page 117   |
| <b>Pollution</b>  |  |  |
| Measures to prevent, reduce or repair emissions that seriously affect the environment; taking into account any form of air pollution specific to an activity, including noise and light pollution   | 103-2 Management approach<br>302-4 Reduction in energy consumption<br>305-5 Reduction of GHG emissions<br>305-7 NOx, Sox and other significant atmospheric emissions                           | 5.1.1. The fight against climate change<br>7.3.2 Additional indicators<br>Page 97-108.2019   |
| <b>Circular economy and waste prevention and management</b>   |  |  |
| Measures for the prevention, recycling, reuse, other forms of waste recovery and disposal; actions to combat food waste   | 301-2 Recycled inputs<br>301-3 Reused products and packaging materials<br>303-4 Water discharge<br>306-1 Water discharge by quality and destination<br>306-2 Waste by type and disposal method | 5.1.2 Circular economy: sustainable use of resources and waste management<br>5.1.3 Efficient and responsible use of water resources<br>Actions to combat food waste are not material for the ACS Group given the activity carried out by the Group<br>Page 108-115 |

| Information requested by the Non-Financial Information draft legislation  | Link with GRI contents  | Location Information included   |
|---|---|---|
| <b>Sustainable use of resources</b>   |   |   |
| Water consumption and water supply in accordance with local limitations   | 303-1 Interaction with water as a shared resource<br>303-3 Water withdrawal<br>303-4 Water discharge<br>303-5 Water consumption   | 5.1.3 Efficient and responsible use of water resources<br>Page 114-115                    |
| Consumption of raw materials and measures adopted to improve the efficiency of their use  | 301-1 Materials used by weight or volume<br>301-2 Materials used by weight and volume   | 5.1.2 Circular economy: sustainable use of resources and waste management<br>Page 108-110 |
| Direct and indirect consumption of energy   | 302-1 Energy consumption within the organisation<br>302-2 Energy consumption outside the organisation<br>302-3 Energy intensity<br>302-4 Reduction in energy consumption  | 5.1.1. The fight against climate change<br>Page 107                                       |
| Measures taken to improve energy efficiency   | 302-3 Energy intensity<br>302-4 Reduction in energy consumption<br>302-5 Reduction in energy requirements for products and services   | 5.1.1. The fight against climate change<br>Page 107                                       |
| Use of renewable energies   | 302-1 Energy consumption within the organisation  | 5.1.1. The fight against climate change<br>Page 107                                       |
| <b>Climate Change</b>   |   |   |
| Greenhouse Gas Emissions  | 305-2 indirect GHG emissions when generating energy (scope 2)<br>305-3 Other indirect GHG emissions (scope 3)<br>305-4 intensity of GHG emissions   | 5.1.1. The fight against climate change<br>Page 101                                       |
| Measures adopted to adapt to the consequences of climate change   | a. Reduction of GHG emissions   | 5.1.1. The fight against climate change<br>Page 98-100                                    |
| Voluntary medium and long-term reduction targets to reduce greenhouse gas emissions and the means implemented for this purpose  | 305-5 Reduction of GHG emissions  | 5.1.1. The fight against climate change<br>Page 100-104                                   |
| <b>Protection of biodiversity</b>   |   |   |
| Measures taken to preserve or restore biodiversity  | 304-3 Protected or restored habitats  | 5.1.4. Protection of biodiversity<br>Page 116   |
| Impacts caused by activities or operations in protected areas   | 304-2 Significant impacts of activities, products and services on biodiversity  | 5.1.4. Protection of biodiversity<br>Page 116   |
| <b>Social and personnel issues</b>  |   |   |
| <b>Employment</b>   |   |   |
| Total number and distribution of employees based on diversity criteria (gender, age, country, etc.)   | 102-7 Size of the organisation<br>102-8 Information on employees and other workers<br>405-1. (b) The percentage of employees by employment category for each of the following categories of diversity: gender and age group | 5.2. ACS Group employees<br>Page 119-121  |
| Total number and distribution of employment contract types, annual average of permanent contracts, temporary contracts and part-time contracts by gender, age and professional classification | 102-8 Information on employees and other workers  | 5.2. ACS Group employees<br>Page 119-121  |
| Number of dismissals by gender, age and professional classification   | 401-1. (b) Total number and turnover rate during the reporting period, by age group, gender and region (for dismissals)   | 5.2. Las personas en el Grupo ACS<br>Pág. 121   |
| The average remuneration and its evolution broken down by gender, age and professional classification or equal value  | 405-2 Ratio of base salary and remuneration of women to men   | 5.2.2. Equal opportunities, diversity and inclusion<br>Page 128                           |
| Wage gap, remuneration for equal or average jobs in the company   | 405-2 Ratio of base salary and remuneration of women to men   | 5.2.2. Equal opportunities, diversity and inclusion<br>Page 128                           |

| <b>Information requested by the Non-Financial Information draft legislation</b>   | <b>Link with GRI contents</b>  | <b>Location Information included</b>                                 |
|---|--|--|
| The average remuneration of directors and executives, including variable remuneration, per diem, indemnity, and payment to long-term savings systems and any other remuneration broken down by gender | 102-35 Remuneration policies<br>102-36 Process for determining remuneration<br>201-3 Obligations of the defined benefit plan and other retirement plans  | 5.2.2. Equal opportunities, diversity and inclusion<br>Page 127      |
| Introduction of employment disconnection policies   | 103-2 Management Approach  | 5.2.3. Organisation of work and social relationships<br>Page 129     |
| Employees with disabilities   | 405-1 (b) The percentage of employees by employment category for each of the following diversity categories: gender and age group  | 5.2.2. Equal opportunities, diversity and inclusion<br>Page 126      |
| <b>Organisation of work</b>   |  |  |
| Organisation of work time   | 102-8 (c) The total number of employees per type of employment contract (full or part-time) and by gender  | 5.2.3. Organisation of work and social relationships<br>Page 120-121 |
| Number of hours of absenteeism  | 403-9 Work-related injuries  | 5.2.3. Organisation of work and social relationships<br>Page 129     |
| Measures to facilitate the enjoyment of work-life balance and encourage the co-responsible exercise of these measures by both parents   | 401-3 Parental leave   | 5.2.3. Organisation of work and social relationships<br>Page 129     |
| <b>Health and safety</b>  |  |  |
| Occupational health and safety conditions   | 403-1 Occupational Health and Safety Management System<br>403-2 Risk identification, risk assessment, and incident investigation<br>403-3 Occupational health services<br>403-5 Occupational Health and Safety training<br>403-6 Promotion of worker health<br>403-8 Workers covered by a occupational health and safety management system | 5.3. Occupational health and safety<br>Page 131-139                  |
| Work-related accidents, particularly their frequency and severity, as well as occupational illnesses; broken down by gender.  | 403-9 Work-related injuries<br>403-10 Occupational illnesses   | 5.3.2 Safety statistics<br>Page 135-137                              |
| <b>Social relationships</b>   |  |  |
| Organisation of social dialogue, including procedures for informing and consulting staff and negotiating with them  | 102-43 Approach for participation of stakeholders<br>402-1 Minimum notice periods on operational changes<br>403-4 Employee participation, consultation and communication on occupational health and safety   | 5.2.3. Organisation of work and social relationships<br>Page 129     |
| Percentage of employees covered by collective bargaining agreement, by country  | 102-41 Collective bargaining agreements  | 5.2.3. Organisation of work and social relationships<br>Page 129     |
| The balance of collective agreements, particularly in the field of occupational health and safety   | 403-4 Workers' participation, consultation and communication of occupational health and safety   | 5.2.3. Organisation of work and social relationships<br>Page 129     |
| <b>Training</b>   |  |  |
| The policies implemented in the field of training   | 404-2 programmes for upgrading employee skills and transition assistance programmes  | 5.2.1. Professional Development<br>Page 123-125                      |
| The total number of training hours by professional category   | 404-1 Average hours of training per year per employee  | 5.2.1. Professional Development<br>Page 124                          |
| <b>Universal accessibility of disabled persons</b>  |  |  |
| Universal accessibility of disabled persons   | 103-2 Management approach  | 5.2.2. Equal opportunities, diversity and inclusion<br>Page 126      |

| <b>Information requested by the Non-Financial Information draft legislation</b>  | <b>Link with GRI contents</b>   | <b>Location Information included</b>  |
|--|---|---|
| <b>Equality</b>  |   |   |
| Measures adopted to promote equal treatment and opportunities between women and men  | 103-2 Management approach   | 5.2.2. Equal opportunities, diversity and inclusion<br>Page 123-128   |
| Equality plans (Chapter III of Organic Law 3/2007 of 22 March on the effective equality of women and men), measures adopted to promote employment, protocols against sexual and gender-based harassment, integration and universal accessibility of persons with disabilities  | 103-2 Management approach   | 5.2.2. Equal opportunities, diversity and inclusion<br>Page 125-126   |
| The anti-discrimination and, where applicable, diversity management policy   | 406-1 Cases of discrimination and corrective actions taken  | 5.2.2. Equal opportunities, diversity and inclusion<br>Page 125-126   |
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| <b>Human Rights</b>  |   |   |
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| Reports of cases of Human Rights abuses  | 102-17 Advisory mechanisms and ethical concerns<br>419-1 Non-compliance with laws and regulations in the social and economic fields   | 5.4.4. Human Rights<br>Page 146   |
| Promoting and complying with the provisions of the fundamental conventions of the International Labour Organisation relating to respect for freedom of association and the right to collective bargaining; eliminating discrimination in employment and occupation; eliminating forced or compulsory labour; effectively eliminating child labour. | 103-2 Management approach   | 5.4.4. Human Rights<br>Page 145-146   |
| <b>Prevention of corruption and bribery</b>  |   |   |
| <b>Corruption and bribery</b>  |   |   |
| Measures adopted to prevent corruption and bribery   | 103-2 Management approach   | 5.4.3. Prevention of corruption and bribery<br>Page 144   |
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| Contributions to foundations and non-profit entities   | 103-2 Management approach<br>201-1 Direct economic value generated and distributed<br>415-1 Contribution to political parties and/or representatives  | 5.4.3. Prevention of corruption and bribery<br>5.6.1 Social action of ACS Group companies<br>Page 144,155,158 |
| <b>Information about the Company</b>   |   |   |
| Company commitments to sustainable development   |   |   |
| The impact of the company's activity on employment and local development   | 204-1 Proportion of spending on local suppliers<br>413-1 Operations with local community participation, impact assessments and development programmes   | 5.6. Giving back to society<br>5.7.1. The supply chain of the ACS Group<br>Page 154-155, 161                  |
| The impact of the company's activity on local populations and on the territory   | 204-1 Proportion of spending on local suppliers<br>413-1 Local community operations, impact assessments and development programmes<br>413-2 Operations with significant potential impacts or actual negative impacts on local communities | 5.6. Giving back to society<br>5.7.1. The supply chain of the ACS Group<br>Page 154-155, 161                  |

| <b>Information requested by the Non-Financial Information draft legislation</b>                                 | <b>Link with GRI contents</b>  | <b>Location Information included</b>                                  |
|---|--|---|
| Relations with local community agents and dialogue with local communities                                       | 102-43 Approach to stakeholder engagement<br>413-1 Local community operations, impact assessments and development programmes   | 5.5. Management of the relationship with stakeholders<br>Page 160-161 |
| Association or sponsorship actions  | 102-13 Membership associations   | 5.5. Management of the relationship with stakeholders<br>Page 161     |
| <b>Subcontracting and suppliers</b>   |  |   |
| Inclusion of social, gender equality and environmental issues in the procurement policy                         | a. Management approach   | 5.7. Suppliers and contractors<br>Page 160-164                        |
| Consideration of social and environmental responsibility of suppliers and subcontractors in relations with them | 102-9 Supply chain<br>308-1 New suppliers that were screened using environmental criteria<br>308-2 Negative environmental impacts on the supply chain and actions<br>414-1 New suppliers that were screened using social criteria<br>414-2 Negative social impacts on the supply chain and actions | 5.7. Suppliers and contractors<br>Page 160-164                        |
| Supervisory systems and audits and their results  | 308-1 New suppliers that were screened using environmental criteria<br>308-2 Negative environmental impacts on the supply chain and actions<br>414-1 New suppliers that were screened using social criteria<br>414-2 Negative social impacts on the supply chain and actions                       | 5.7. Suppliers and contractors<br>Page 160-164                        |
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| Measures for consumer health and safety   | 416-1 Assessment of the health and safety impacts of product or service categories   | Page 166  |
| Complaint systems, complaints received and their resolution   | 102-17 Advisory mechanisms and ethical concerns (complaints received and resolution)<br>418-1 Fundamental claims relating to infringements of customer privacy and loss of customer data   | 5.8.2. Customer relations<br>Page 166                                 |
| <b>Tax information</b>  |  |   |
| Profit obtained by country  | 201-1 Direct economic value generated and distributed  | 5.9. Tax information<br>Page 169-170                                  |
| Profits tax paid  | 201-1 Direct economic value generated and distributed<br>207-4 Presentation of reports by country  | 5.9. Tax information<br>Page 169-170                                  |
| Public subsidies received   | 201-4 Financial assistance received from the government  | 5.9. Tax information<br>Page 169-170                                  |

## 6. CORPORATE GOVERNANCE

- 6.1. SHAREHOLDER'S GENERAL MEETING
- 6.2. BOARD OF DIRECTORS







## 6. CORPORATE GOVERNANCE

### CORPORATE GOVERNANCE OF THE ACS GROUP

In accordance with the most recent recommendations of reference entities, such as the Spanish National Securities Market Commission, and best practices in corporate governance, the ACS Group adopted a governance model that consists of the following bodies.

#### SHAREHOLDERS' GENERAL MEETING

The General Meeting is the highest body of expression of the Company's intentions and decisions, adopted in accordance with the provisions of the By-Laws, binding for all shareholders. It is responsible for approving the financial statements, distributing profit or allocating loss, and approving the conduct of the company's business. It also appoints and removes directors, and carries out any other functions that may be attributed thereto by law or the By-Laws.

#### BOARD OF DIRECTORS

The Board is granted the broadest of powers to represent and govern the company as the body supervising and controlling its activity, but also to directly assume the responsibilities and decision-making powers on the management of the businesses. Its management is subject to approval at the Annual General Meeting.

#### DELEGATED COMMITTEES OF THE BOARD

| EXECUTIVE COMMITTEE  | AUDIT COMMITTEE   | APPOINTMENTS COMMITTEE  | REMUNERATION COMMITTEE   |
|--|---|---|--|
| Delegated Committee of the Board that may exercise all powers of the Board except those that are non-delegable or those that the Board establishing as being within its scope of competence. | Delegated Committee of the Board in charge of accounting control functions and risk management, including monitoring compliance with corporate governance rules, internal codes of conduct and the sustainability policy. | Delegated Committee of the Board of Directors in charge of: proposing the appointment of the Directors and Secretary General of the Board, the appointment of senior executives and gender diversity issues in the Board of Directors | Delegated committee of the Board of Directors responsible for control of the remuneration of directors and senior managers |

The ACS Group's good governance model, as well as the composition, operations and functions of the governing bodies, are detailed in the Group's internal regulations.

The Group also has regulations on the mechanisms established to detect, determine and resolve possible conflicts of interest between the company and/or the group, and its directors, executives or significant shareholders.

## ACS GROUP GOVERNANCE REGULATIONS



[Company By-Laws](#)



[Rules of Conduct in the Stock Market](#)



[Shareholders' General Meeting By-Laws](#)



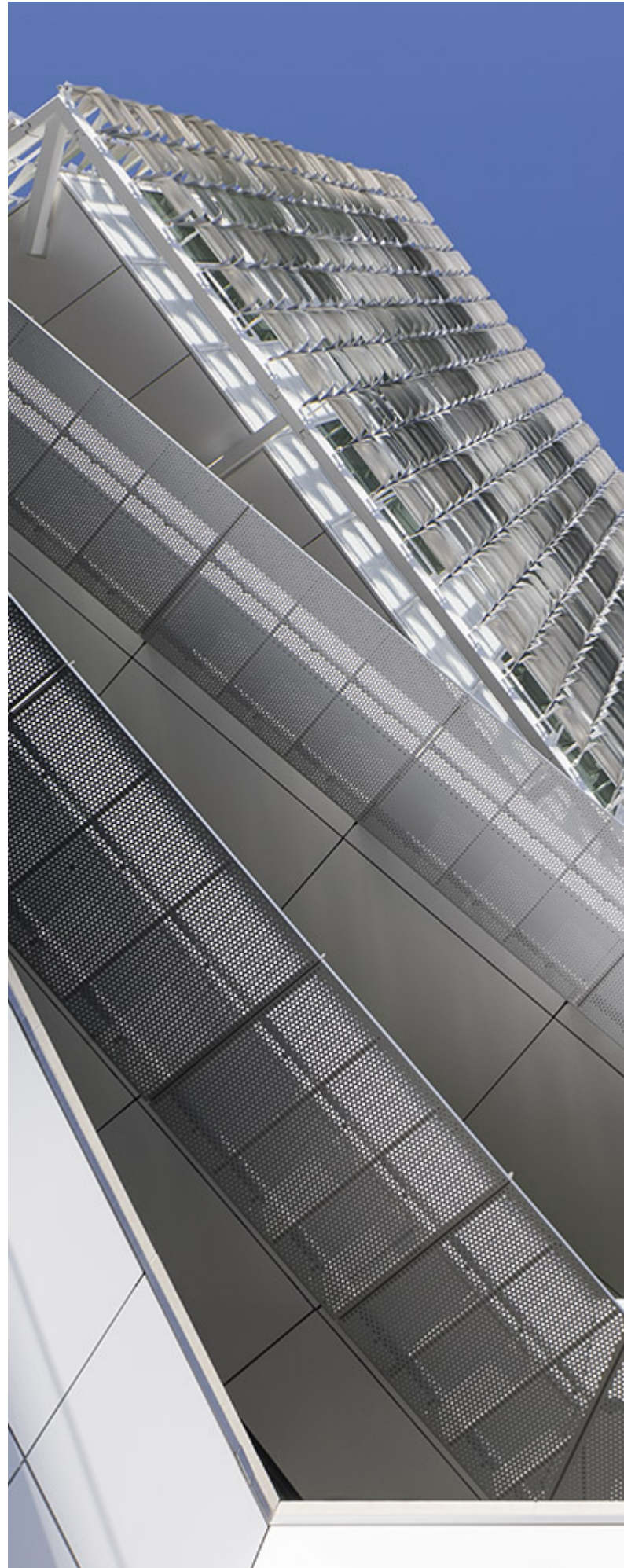
[Remuneration of the Board of Directors](#)



[Corporate Governance Policy](#)



[Diversity policy](#)



## 6.1. SHAREHOLDERS' GENERAL MEETING

ACS, Actividades de Construcción y Servicios, S.A. (ACS), the ACS Group's parent company, is a Spanish public limited liability company, the share capital of which totalled EUR 157,332,297 at 31 December 2021, represented by 304,664,594 fully subscribed and paid shares, with a par value of EUR 0.50 each, all of which are of the same class and carry the same rights.

The General Meeting is the supreme body for expressing the Company's intent, and its decisions, taken in accordance with the provisions of the By-Laws and the Shareholders' General Meeting Regulations, are binding for all shareholders, even those that are absent, dissenting and abstained.

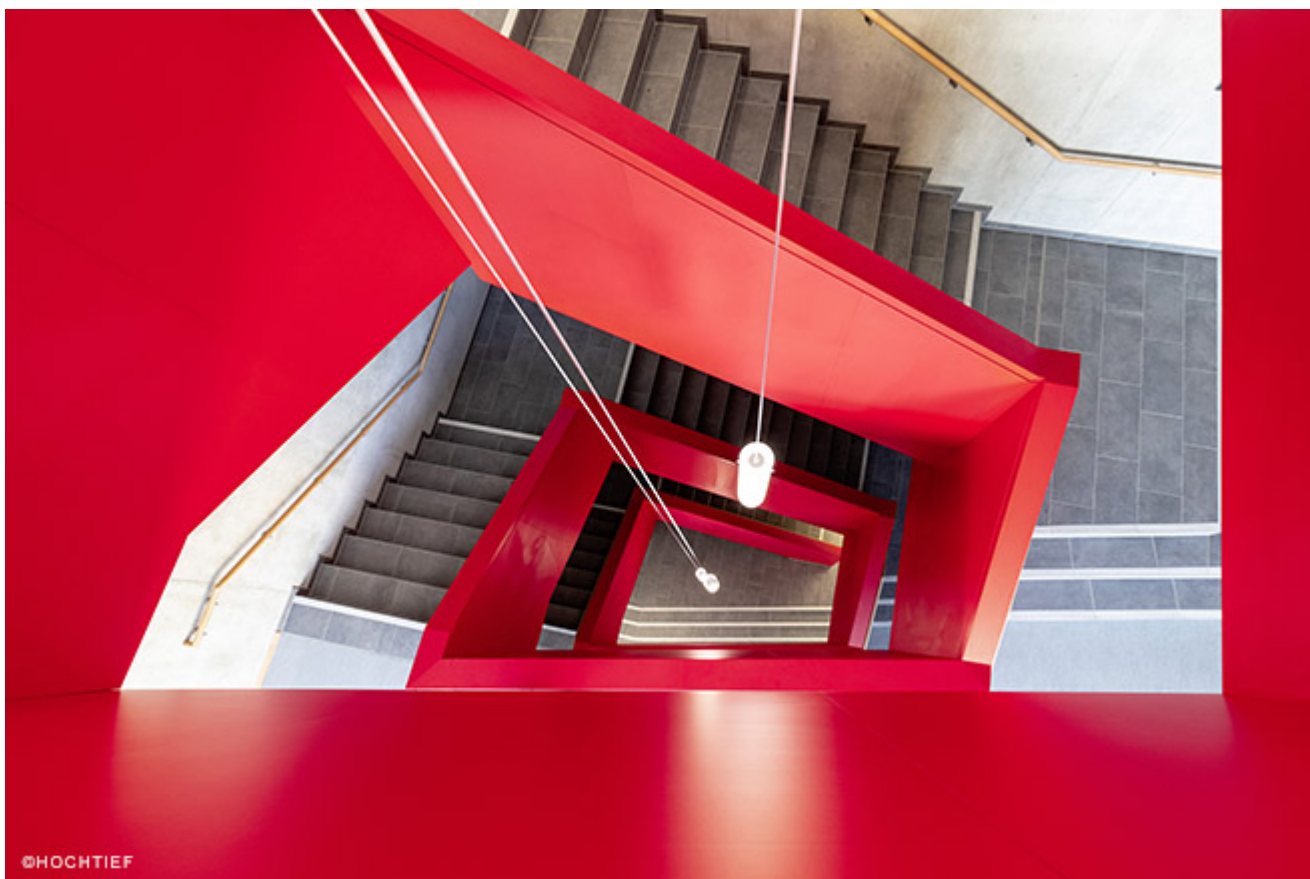
The General Meeting comprises all shareholders that hold at least one hundred shares, either in person or by proxy. Owners or holders of less than one hundred shares may group themselves together in order to reach this number and may be represented either by one of the group or by another shareholder that possesses enough shares to form part of the General Meeting.

The call notice for the Shareholders' General Meeting will be published simultaneously in the Official Mercantile Registry Gazette, the Company's website and on the website of the Spanish National Securities Market Commission, and will place on record all regulations governing the following matters:

- Supplement to the call notice and the submission of new proposed resolutions.

- Attendance and voting rights and shareholder registration
- Voluntary representation.
- Appointment or revocation of proxies and notices sent to the company in writing and by electronic means
- Conflicts of interest with the representative
- Public request for representation and exercise of voting rights by directors in the event of a public request for representation.
- Early voting by remote means
- Special instruments of disclosure: corporate website and electronic shareholders forum

From the day on which the call notice for the General Meeting is published up until the fifth day prior, inclusive, to the date set for the General Meeting at first call, shareholders may request in writing information or clarifications they deem necessary or make any written enquiries deemed relevant regarding the matters included on the agenda and in relation to the information available to the public that has been supplied by the company to the Spanish National Securities Market Commission since the last General Meeting



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or with the Company's auditor's report. The Board of Directors as required to provide this information in writing until the date set for holding the meeting.

These requests for information may be submitted by delivering the request to the registered office or by sending it to the company by post or by electronic or telematic means. Valid requests for information, clarifications or queries made in writing and the replies sent in writing by the Board of Directors will be included on the Company's website.

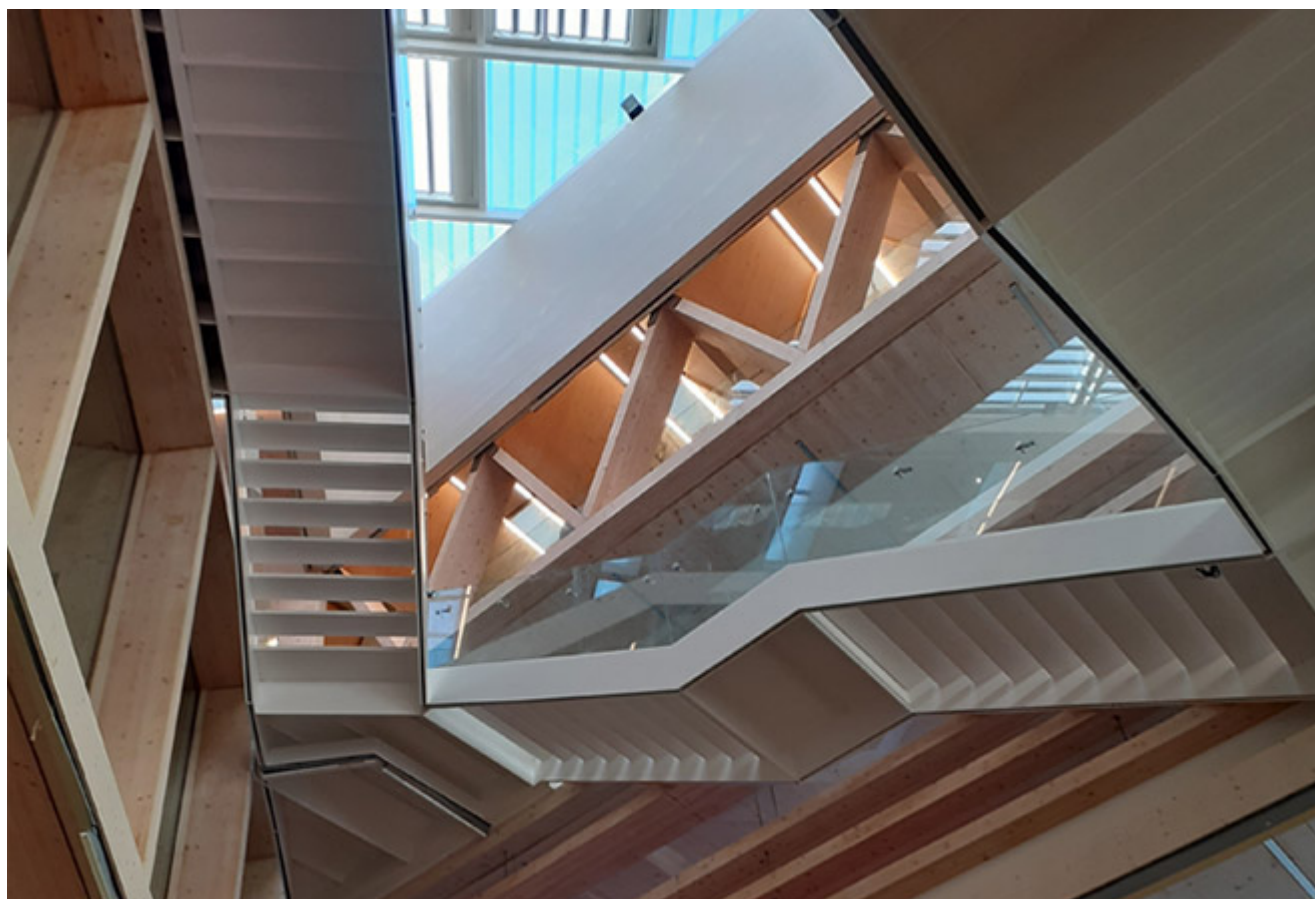
In addition to the written requests for information, during the General Meeting, the Company's shareholders may verbally request such information or clarifications as they deem appropriate regarding the business included on the agenda, or information available to the public that was provided by the Company to the Spanish National Securities Market Commission since the last General Meeting or the auditors' report on the Company. If it not be possible to comply with the right of the shareholder at that time, the Board shall be obliged to provide this information in writing within seven days following the conclusion of the meeting.

From the publication of the call notice until the date on which the general meeting is held, the Company will publish for an uninterrupted period of time on its website ([www.grupoacs.com](http://www.grupoacs.com)) the following information that any shareholder may also examine at its registered office or obtain immediately and free of charge:

- All documents or agreements that are subject to a vote or consideration at the meeting and, in particular, the directors, audit and independent expert reports.
- The system and forms for issuing votes by proxy, the forms for delegating votes and the means that must be used in order for the Company to accept a notice sent by electronic means from the proxies granted.
- The procedures and forms established for issuing votes by remote means.

The measures adopted by the Group to encourage attendance at the Meeting are reflected in their attendance percentages.

|   | 2017   | 2018   | 2019   | 2020   | 2021   |
|---|--------|--------|--------|--------|--------|
| <b>Total Quorum</b>                       | 64.45% | 61.51% | 66.63% | 53.72% | 61.84% |
| <b>Quorum of shareholders present</b>     | 1.90%  | 1.59%  | 1.05%  | 0.93%  | 1.47%  |
| <b>Quorum of shareholders represented</b> | 62.54% | 59.91% | 65.57% | 52.80% | 60.37% |



## 6.2. BOARD OF DIRECTORS

The composition of the Board of Directors is based on a principle of proportionality, whereby the interests of all groups of ACS shareholders are represented on the Board.

The mission of independent and non-executive directors is to represent the interests of the free-float capital on the Board of Directors.

The General Meeting, at the proposal of the Board of Directors, is responsible for setting the exact number of Board members and, within these limits, appointing those persons to occupy these posts. At 31 December 2021, ACS's Board of Directors was made up of 15 members.

The Company considers that the composition of the Board of Directors is adequate to represent the interests of both majority and minority shareholders. In this regard, it should also be taken into account that the Other non-executive directors are directors, who, although they cannot be considered independent as they have exceeded the maximum period of 12 years stipulated by law, are considered to carry out their functions, based on their personal and professional qualifications, without being influenced by relationships with the Company or its Group, significant shareholders or executives.



**For further information:  
Composition of the ACS Board  
of Directors 1. Management  
Bodies**



**Annual Corporate Governance  
Report**

### FUNCTIONS

The Board assumes the functions of representing and managing the Company as the highest body supervising and controlling its activities. The following, among others, are included in the functions which may not be delegated\*:

- The investment and financing policy
- The definition of the Group structure
- The corporate governance policy
- The Sustainability Policy
- Approval of financial information
- The strategic or business plan, the management targets and annual budgets
- The remuneration policy and evaluation of the performance of senior executives
- The risk control and management policy, including tax risks, and the monitoring of internal information and control systems
- Dividend policy, as well as the policy related to equity or shares.
- Related-party transactions, except in those cases envisaged by Regulations
- The determination of the Company's tax strategy.

The principles governing the composition and functioning of the Board may be reviewed in the Annual Corporate Governance Report prepared by the ACS Group.

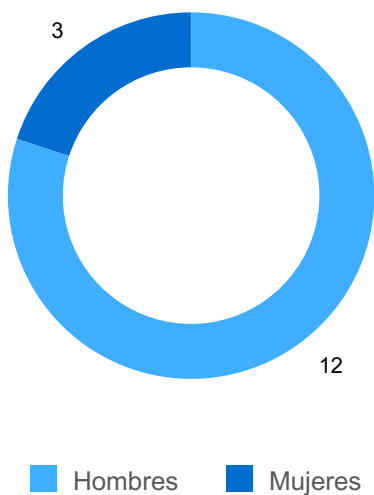
\*The complete list of functions which may not be delegated is included in Article 5 of the Board of Directors Regulations.

The results of the analysis of the competences of the Board members are as follows:

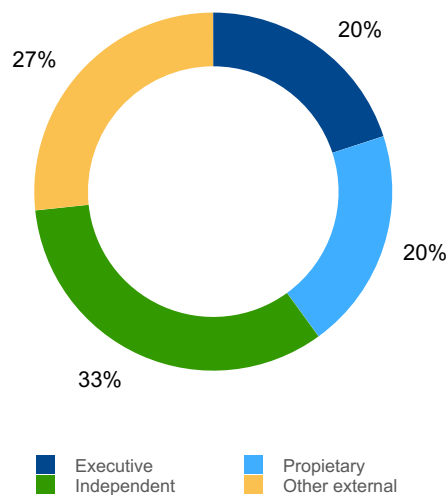
### MATRIX OF BOARD COMPETENCES

|                                       | Executive Chairman | Vice-Chairman | Board Member 1 | Board Member 2 | Board Member 3 | Board Member 4 | Board Member 5 | Board Member 6 | Board Member 7 | Board Member 8 | Board Member 9 | Board Member 10 | Board Member 11 | Board Member 12 | Board Member 13 |
|---------------------------------------|--------------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|
| <b>EXPERIENCE</b>                     |                    |               |                |                |                |                |                |                |                |                |                |                 |                 |                 |                 |
| Sectorial                             | ●                  | ●             | ●              |                | ●              |                | ●              | ●              |                | ●              | ●              |                 | ●               | ●               | ●               |
| International                         | ●                  |               |                |                | ●              | ●              |                | ●              |                | ●              |                |                 | ●               | ●               | ●               |
| Academic                              | ●                  |               |                | ●              |                | ●              | ●              | ●              | ●              | ●              |                | ●               | ●               |                 |                 |
| Public Administration                 | ●                  |               |                | ●              |                | ●              | ●              |                | ●              | ●              | ●              |                 | ●               | ●               | ●               |
| <b>KNOWLEDGE</b>                      |                    |               |                |                |                |                |                |                |                |                |                |                 |                 |                 |                 |
| Accounting and Finance                | ●                  | ●             | ●              |                | ●              | ●              |                | ●              |                | ●              | ●              |                 |                 |                 | ●               |
| Risks                                 | ●                  | ●             | ●              | ●              | ●              | ●              | ●              | ●              | ●              | ●              | ●              | ●               | ●               | ●               | ●               |
| Operations                            | ●                  | ●             | ●              |                |                |                | ●              |                |                | ●              |                |                 |                 | ●               |                 |
| Legal and fiscal                      |                    |               |                | ●              | ●              | ●              |                | ●              |                |                | ●              |                 | ●               |                 | ●               |
| Technology and digital transformation |                    |               |                |                | ●              |                |                |                |                |                |                |                 |                 |                 | ●               |
| Human resources                       | ●                  | ●             |                |                | ●              |                | ●              |                | ●              | ●              | ●              | ●               | ●               | ●               | ●               |

**BOARD COMPOSITION**

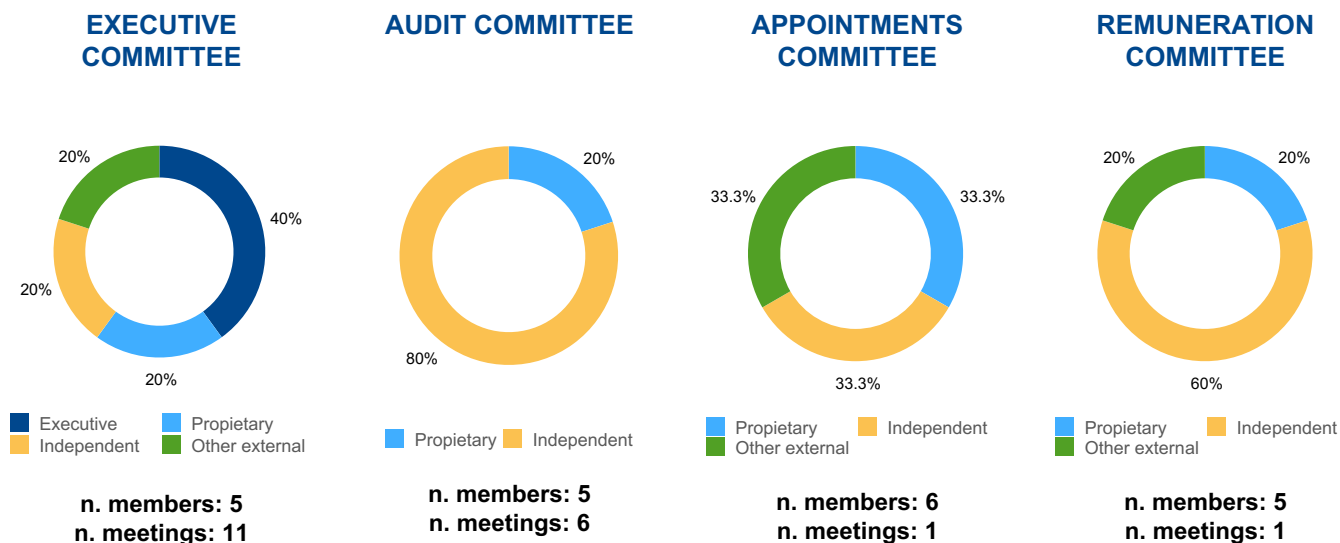


**BOARD COMPOSITION BY TYPE OF DIRECTOR**



## 6.2.1. DELEGATED COMMITTEES

The specific and detailed functions of each of the Delegated Committees of the ACS Group Board of Directors are described in Title 4 of the ACS Group Rules of Procedure of the Board of Directors. The composition and number of meetings at 31 December 2021 is as follows:



## 6.2.2. REMUNERATION OF THE BOARD OF DIRECTORS

The remuneration of the Board Members is defined by a general policy approved by the Board in full, in accordance with the recommendations of the Remuneration Committee.

The details of the remuneration received by the Governing Body, as well as the criteria for its determination, are published in the Annual Remuneration Report.

During the 2021 Shareholders' General Meeting, the Board's remuneration was approved with 55.93% of the votes cast in favour.

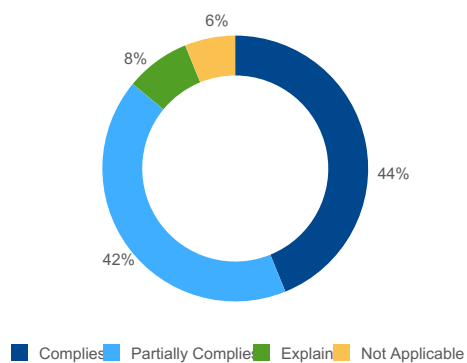


|                 | Number      | % Over total |
|-----------------|-------------|--------------|
| Votes Cast      | 192,118,321 | 61.84%       |
| Opposing Votes  | 66,095,235  | 34.40%       |
| Votes in favour | 107,449,128 | 55.93%       |
| Abstention      | 18,573,958  | 9.67%        |



### 6.2.3. GOOD GOVERNANCE

In the 2021 financial year, the ACS Group's parent company has continued to develop the work of adapting its internal regulatory body to monitor the recommendations of the Code of Good Governance of listed companies. The degree of monitoring can be found in point G. of the Corporate Governance Report which forms part of and is attached to this Consolidated Management Report.



## 7. ANNEXES

- 7.1. REPORTING PRINCIPLES
- 7.2. IDENTIFICATION OF RELEVANT ISSUES
- 7.3. NON-FINANCIAL INFORMATION ANNEXES
- 7.4. ECONOMIC-FINANCIAL ANNEXES





## 7.1. REPORTING PRINCIPLES

This report was prepared in accordance with the Exhaustive option of the GRI Standards. This Report of the ACS Group was also prepared following the principles established within the framework of the International Integrated Reporting Council (IIRC<sup>8</sup>) and the sector supplement of Construction and Real Estate of the Standards of the Global Reporting Initiative.

The Annual Integrated Report responds to the recommendations of the National Securities Market Commission included in Guidelines for preparing the management report for listed entities, as well as Law 11/2018 on disclosure of non-financial information and diversity information. This includes the consolidated non-financial statement, as part of the ACS Group Management Report.

In regard to the Group's financial and management information, the information broken down in the consolidated and individual financial statements audited and prepared by the Board of Directors and presented at the Shareholders Meeting was taken into account.

The issues relating to non-financial information identified as relevant for the ACS Group stakeholders and to which this report responds are the following (in order of importance):

[102-46]

- Ethics and compliance
- Occupational health and safety in employees and contractors
- Climate Change: transition to a low-carbon business model
- Risk management and opportunities
- Good corporate governance

- Sustainability strategy and governance
- Environmental management and protection of biodiversity
- Equality, diversity and non-discrimination
- Respect for Human Rights.
- Fair remuneration and quality employment
- Transparency and dialogue with stakeholders
- Financial solvency and value generation for shareholders and investors
- Sustainable and resilient infrastructure
- Investment and sustainable financing
- Customer orientation and quality
- Attracting talent and professional development
- Local development and impact on the community
- Responsible management of the supply chain.
- Circularity in the sourcing of raw materials and in waste management
- Innovation and Technology
- Water management

Lastly, a limited review of non-financial information was carried out by an independent third party in accordance with the Revised ISAE 3000 standard, and the verification letter was included in pages 236-238 of this document. In preparing this report, the ACS Group applied the following criteria:



<sup>8</sup> For more information visit the International Integrated Reporting Council's website <http://integratedreporting.org/>

## PRINCIPLES TO DETERMINE THE CONTENT OF THE REPORT:

**Inclusion of stakeholders:** the ACS Group identifies and manages relevant issues taking into account the expectations of its stakeholders. The Group therefore has dialogue mechanisms adapted to its relationship with each of its stakeholders (indicated in section 5.5 this report). In the process of reviewing the materiality analysis carried out in 2021, the perspective and expectations of the stakeholders on the relevant issues that concern the Group were taken into account through external documentation.

**Sustainability context:** The purpose of this report is to explain the management of the ACS Group in each of the three sustainability areas: economic, social and environmental. Throughout this report, information is supplied in relation to the context of each of these areas.

**Relevance:** The ACS Group has carried out an analysis of material issues; the methodology and results can be consulted in section 7.2 of this report. This report made it possible to determine the issues that are relevant for the ACS Group and its stakeholders.

**Exhaustiveness:** In the process of preparing this report, the coverage and scope thereof was clearly defined, giving priority to information considered to be material and including all significant events that took place in 2021, without omitting information of relevance to our stakeholders.

### [102-48] [102-49]

The scope of the report was determined along with its content. In 2020 and 2021, ACS Group took part in transformation processes which have involved organisational and administrative changes, which resulted in a change in the scope of certain indicators. Therefore, it should be noted that 50% of Thies was sold in 2020 and most of the industrial services activities were sold in 2021, as reflected in Note 02.02 to the 2021 Financial Statements of the ACS Group. Appendix 7.3.5 indicates the scope and coverage of each of the indicators reported. In addition, if there are any significant changes in coverage, they must be indicated in these chapters.

The relevant issues, the indicators included herein and the issues covered by the 2021 Annual Integrated Report offer

an overview of the significant impacts on the economic, social and environmental fields and on the ACS Group's activities.

### [102-46]

## PRINCIPLES TO DETERMINE THE QUALITY OF THE REPORT:

**Accuracy and clarity:** This report contains tables, graphs and diagrams, the purpose of which is to make the report easier to understand. The information included in the report is meant to be clear and accurate in order to be able to assess the ACS Group's actions. In addition, the use of technical terms whose meaning may be unknown to stakeholders has been avoided as much as possible.

**Balance:** This report includes both positive and negative aspects, in order to present an unbiased image and enable stakeholders to reasonably assess the Company's actions.

### [102-46] , [102-48], [102-49]

**Comparability:** As far as possible, the information included in this report has been organised in such a manner that stakeholders may interpret the changes undergone by the ACS Group with respect to previous years. Certain figures for 2020 have been recalculated with the same scope as those reported in 2021 so that, whenever possible, they can be more comparable. In regard to indicators that indicate that "it was not possible to recalculate the figures retroactively for certain indicators", the historically reported data is included for the purposes of information.

**Reliability:** the reliability of the information included in this 2021 Annual Integrated Report in regard to corporate social responsibility was checked by KPMG, the firm responsible for its verification. The assurance letter can be found on page 236-239.

**Timeliness:** The ACS Group is required report the Group's performance on an annual basis. This Report relates to the Group's actions and activities in 2021 in the economic, social and environmental fields.

## 7.2. IDENTIFICATION OF RELEVANT MATTERS

[102-46] , [102-47]

Following the principles established by the GRI Standards to define the content of the 2021 Integrated Report, the ACS Group carried out a materiality analysis that identifies the relevant issues.

In this regard, a thorough review of the materiality analysis carried out in 2018 (and updated in subsequent years) was carried out in 2021 as a starting point for the ACS Group's strategic thinking on sustainability (2025 Sustainability Master Plan) that makes it possible for the Group to carry out the following:

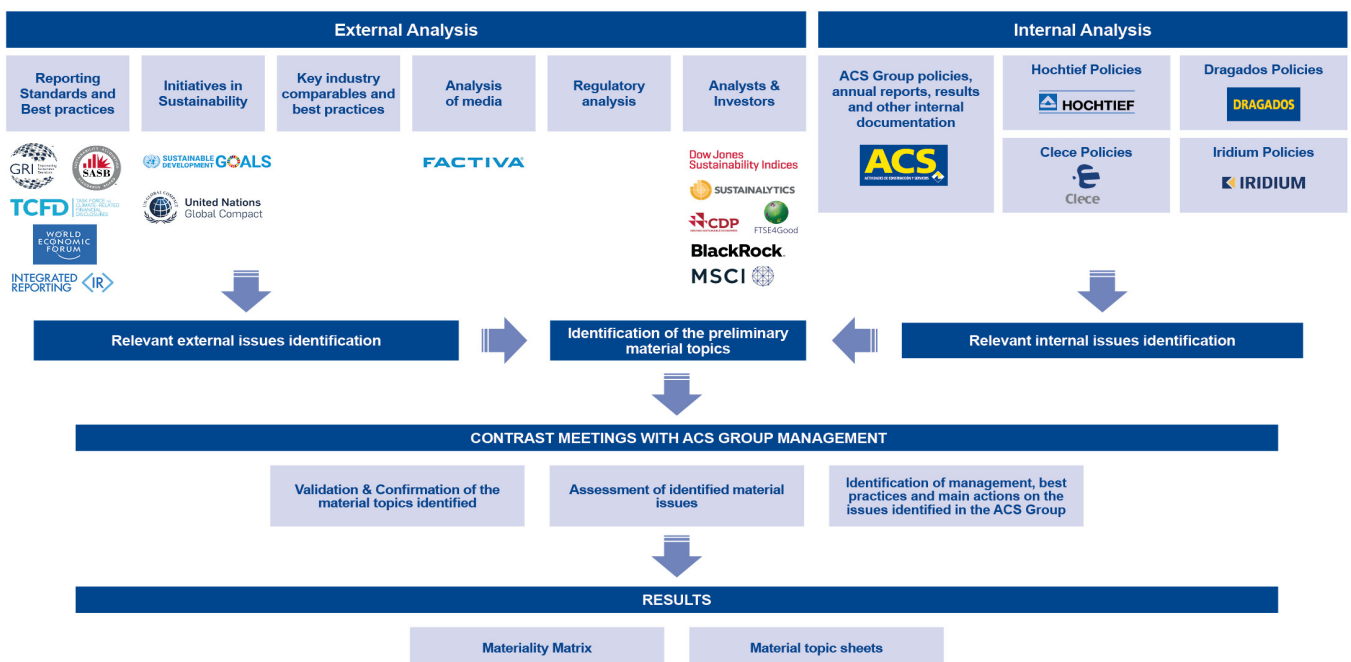
- Sustainability positioning
- Aligning its management with the requirements of their stakeholders (analysts, investors, management, employees, customers, society, among others) and relevant regulations and standards
- Defining the strategic lines of sustainability
- 

To update the analysis, the list of relevant matters identified in 2018 was reviewed, taking it as a basis and updating it through a verified methodology structured in the following phases:

[102-44]

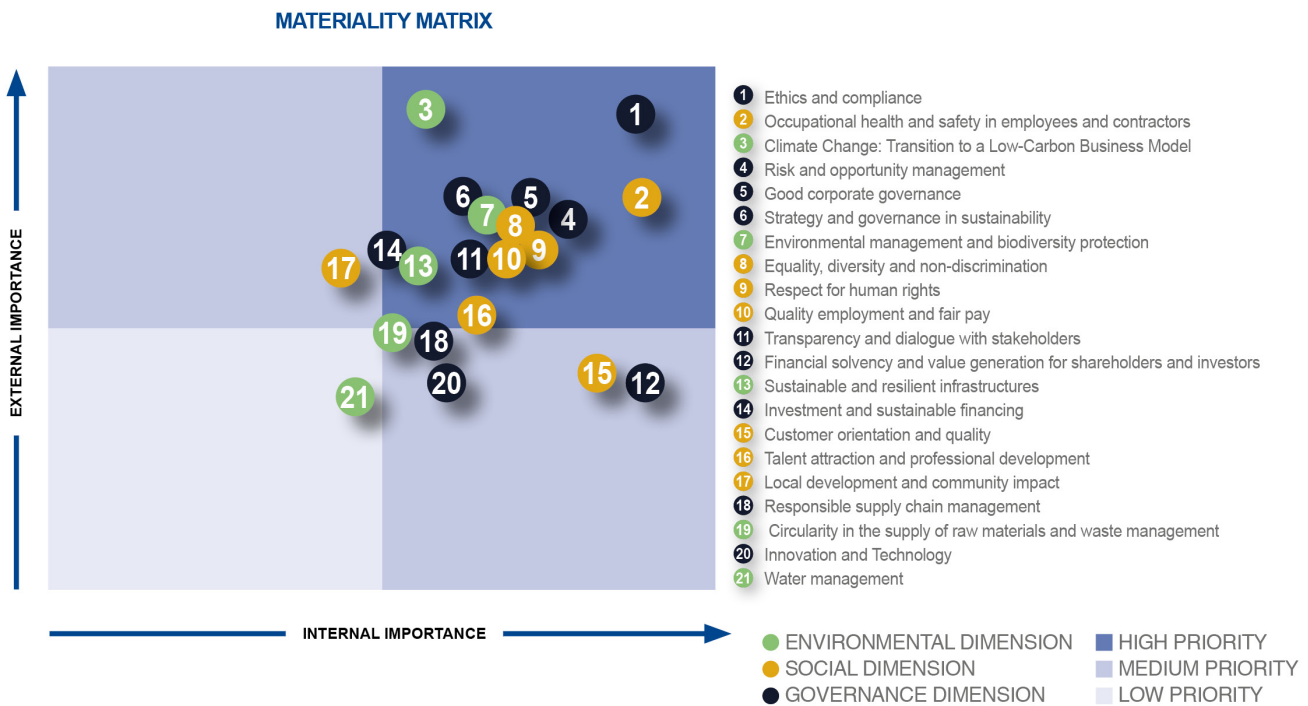
- **Analysis of external documentation:** review of public sources and international reference bodies to identify the main trends and challenges affecting the sector: reporting standards and best practices (GRI Sustainability Reporting Standards, TCFD, SASB, WEO, IR,...), sustainability initiatives (SGDs, Global Compact), and regulatory analysis. In addition, from an external perspective, the main aspects assessed by investors in financial and non-financial matters, an analysis of means and an analysis of the reporting of several comparable companies in the sector were considered.
- **Analysis of internal documentation:** all documentation published by the ACS Group at both the corporate level and in the various Group companies (annual reports, external policies, internal policy frameworks, etc.) was taken into account.
- **Validation meetings with ACS Group Management teams:** these were held out both at the corporate level and in the various ACS Group companies to validate and assess the relevant tentative issues arising from the documentation analysis.
- **Analysis results:** identification of material topics for the ACS Group and its stakeholders, as well as the categorisation of these material topics through their external and internal importance.

## MATERIALITY ANALYSIS METHODOLOGY ACS GROUP



[102-47], [103-1]

The results of weighting the topics identified both at an internal and external level were used to design a materiality matrix representing the results obtained in accordance with their external and internal relevance, identifying the ten relevant issues for the ACS Group, which are described below:



[102-47], [102-44]

The twenty-one material issues identified in the materiality matrix have been ordered in a hierarchy according to their overall relevance, as shown in the following table:

**IMPORTANCE (EXTERNAL + INTERNAL)** (Vertical axis, increasing upwards)

|   |   |
|---|---|
| ● | <b>Ethics and compliance</b>  |
| ● | <b>Occupational health and safety in employees and contractors</b>            |
| ● | <b>Climate Change: Transition to a Low-Carbon Business Model</b>              |
| ● | <b>Risk and opportunity management</b>  |
| ● | <b>Good corporate governance</b>  |
| ● | <b>Strategy and governance in sustainability</b>                              |
| ● | <b>Environmental management and biodiversity protection</b>                   |
| ● | <b>Equality, diversity and non-discrimination</b>                             |
| ● | <b>Respect for human rights</b>   |
| ● | <b>Quality employment and fair pay</b>  |
| ● | <b>Transparency and dialogue with stakeholders</b>                            |
| ● | <b>Financial solvency and value generation for shareholders and investors</b> |
| ● | <b>Sustainable and resilient infrastructures</b>                              |
| ● | <b>Investment and sustainable financing</b>                                   |
| ● | <b>Customer orientation and quality</b>                                       |
| ● | <b>Talent attraction and professional development</b>                         |
| ● | <b>Local development and community impact</b>                                 |
| ● | <b>Responsible supply chain management</b>                                    |
| ● | <b>Circularity in the supply of raw materials and waste management</b>        |
| ● | <b>Innovation and Technology</b>  |
| ● | <b>Water management</b>   |

**Legend:**

- ENVIRONMENTAL DIMENSION (Green)
- SOCIAL DIMENSION (Yellow)
- GOVERNANCE DIMENSION (Black)

The importance of the issues was also identified for each of the main countries in which the Group operates and for each of its business areas, identifying a series of specific sub-issues for each material topic. Although these issues were considered relevant for the ACS Group, an assessment was also made of the importance of each of these issues for each Group business; Construction/ Concessions, and Services.

The issues identified as relevant, the specific sub-issues assessed and the risks associated with the Integrated Report, as well as the management policies and approach of the ACS Group, are as follows:

[102-44], [102-47]



## Local development and impact on the community

### DESCRIPTION AND SUB-TOPICS

Development of necessary actions to generate a positive impact on the local communities in which the Group operates, associated with its operations or social action projects. To this end, it is essential to involve the community and PROMOTE the local business fabric, job generation and social dialogue.

- Economic and social progress of the countries in which the Group operates
- Value generated, retained and distributed
- Employees and local indirect recruitment
- Social action strategy and sponsorships
- Zero kilometre products
- Contributions to foundations and non-profit entities
- Corporate volunteering
- Measurement of impact on the Company

### ASSOCIATED RISKS AND OPPORTUNITIES

As a result of its vision, the ACS Group is committed to the economic and social progress of the countries in which it operates. It is also estimated that numerous European funds are earmarked for socially responsible infrastructure, so the positive impact caused in the company will be decisive in attracting new financing flows.

➤ Associated risk Risk Map: Impact on the economic-social environment

#### Risks:

- Increase in costs associated with activities.
- Reputation risks
- Statutory breach

#### Opportunities:

- Reputational improvement
- Life cycle analysis: cost savings and efficiency improvements
- Competitive differentiation

### DESCRIPTION OF THE MATERIAL TOPIC

|                |                 |
|----------------|-----------------|
| Maintains      | <b>BUSINESS</b> |
| <b>Renamed</b> |                 |
| New            |                 |

### STAKEHOLDER

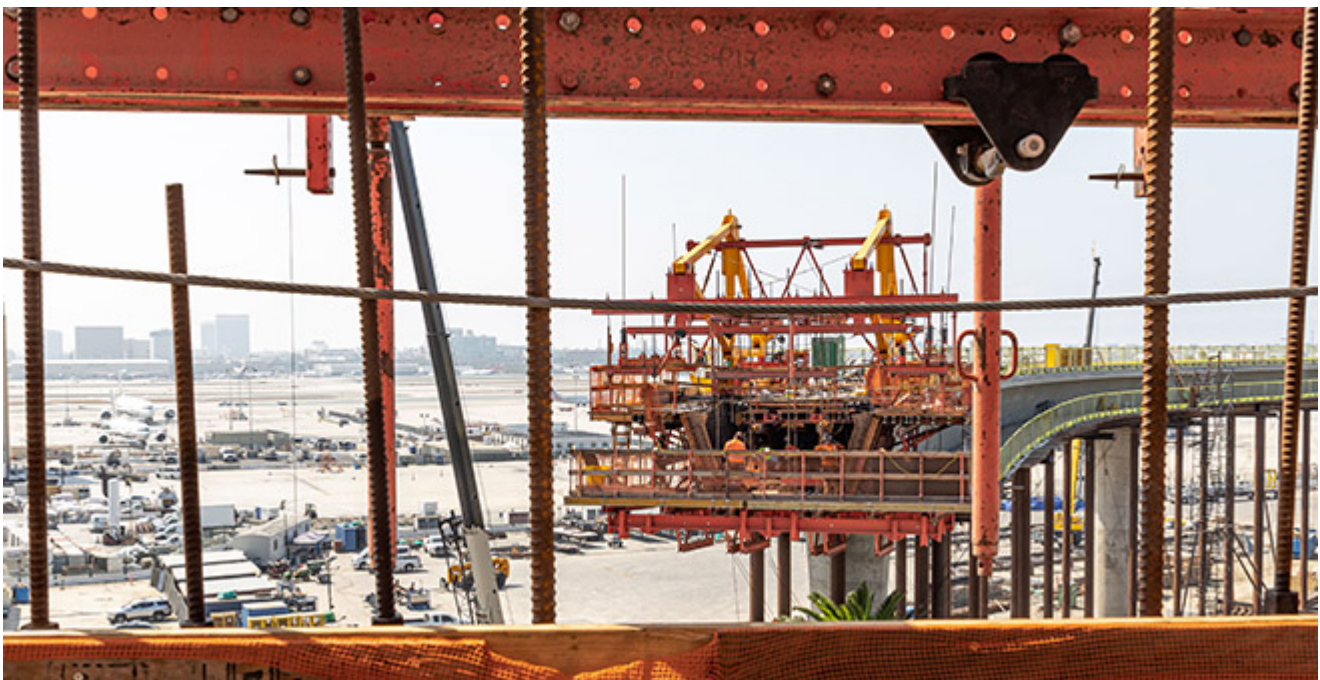
|  |           |         |
|--|-----------|---------|
| CUSTOMERS  | EMPLOYEES | SOCIETY |
| SUPPLIERS AND CONTRACTORS                          |           |         |
| REGULATORY AUTHORITIES                             |           |         |
| SHAREHOLDERS, INVESTORS AND FINANCIAL INSTITUTIONS |           |         |

### RELATED SDGS



### MAIN POLICIES IMPLEMENTED

- ACS Sustainability Policy
- The ACS Group's Code of Conduct
- Environmental policy
- Risk control policy
- Diversity Policy
- The ACS Group's Social Action Policy
- Talent Promotion and Evaluation Policy
- Human Rights Policy





## Environmental management and protection of biodiversity

### DESCRIPTION AND SUB-TOPICS

Companies have a dual relationship of reliance and impact on the natural environment. Therefore, the mitigation of impacts on biodiversity and natural resources is indispensable during the development of the Group's projects and operations, establishing an assessment of ecosystem services that affect the company.

- Protection of biodiversity
- Measurement of natural capital
- Protected natural spaces
- Ecosystem restoration
- Application of the precautionary and pollution prevention principles
- Environmental Protection
- Environmental Management System
- Audits and certifications

### ASSOCIATED RISKS AND OPPORTUNITIES

The conservation and protection of biodiversity has become one of the main environmental challenges faced by companies. The natural environment is one of the main allies in the fight against climate change in addition to being a support for the economy, providing the natural resources on which the activity of the companies is based.

➤ Associated risks Risk Map: Risks of fines and sanctions, reputational risks, and Biodiversity risk

- |  |  |
|--|--|
| <p>Risks:</p> <ul style="list-style-type: none"> <li>• Loss of ecosystem services</li> <li>• Reduction in economic growth</li> <li>• Statutory breach</li> <li>• Litigation and environmental sanctions</li> </ul> | <p>Opportunities:</p> <ul style="list-style-type: none"> <li>• Mitigation and adaptation to climate change</li> <li>• Sustainable investment</li> <li>• Competitive advantages</li> <li>• Optimisation of consumption</li> </ul> |
|--|--|

### DESCRIPTION OF THE MATERIAL TOPIC

|           |                 |
|-----------|-----------------|
| Maintains | <b>BUSINESS</b> |
| Renamed   |                 |
| New       |                 |

### STAKEHOLDER

|  |           |         |
|--|-----------|---------|
| CUSTOMERS  | EMPLOYEES | SOCIETY |
| SUPPLIERS AND CONTRACTORS                          |           |         |
| REGULATORY AUTHORITIES                             |           |         |
| SHAREHOLDERS, INVESTORS AND FINANCIAL INSTITUTIONS |           |         |

### RELATED SDGS



### MAIN POLICIES IMPLEMENTED

- ACS Sustainability Policy
- Environmental policy

## Attracting talent and professional development

### DESCRIPTION AND SUB-TOPICS

The complexity of the sectors in which ACS Group companies operate makes it necessary to identify key profiles and launch attraction and talent development plans that respond to the new needs of the company.

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• Need for specialised talent: increasingly skilled workforce</li> <li>• Total and voluntary turnover rate</li> <li>• Labour climate surveys.</li> <li>• Employee satisfaction and commitment</li> </ul> | <ul style="list-style-type: none"> <li>• Internal promotions and intra-group transfers</li> <li>• Professional development and career plans</li> <li>• Performance evaluation</li> <li>• Training programmes and investment</li> <li>• Training adapted to employees (hard and soft skills)</li> </ul> |
|---|--|

### ASSOCIATED RISKS AND OPPORTUNITIES

Socio-economic changes and the increased complexity of projects require more training for employees. Therefore, professional skills must be defined for sound business management and supported by programmes that allow them to be developed.

➤ Associated risks Risk Map: Attracting and retaining talent and Employment relationships

- |   |  |
|---|--|
| <p>Risks:</p> <ul style="list-style-type: none"> <li>• Loss of competition in the market</li> <li>• High employee turnover</li> <li>• Loss of talent</li> </ul> | <p>Opportunities:</p> <ul style="list-style-type: none"> <li>• Reputational improvement</li> <li>• Increase in employee commitment</li> <li>• Development of corporate values</li> </ul> |
|---|--|

### DESCRIPTION OF THE MATERIAL TOPIC

|           |                 |
|-----------|-----------------|
| Maintains | <b>BUSINESS</b> |
| Renamed   |                 |
| New       |                 |

### STAKEHOLDER

|  |           |         |
|--|-----------|---------|
| CUSTOMERS  | EMPLOYEES | SOCIETY |
| SUPPLIERS AND CONTRACTORS                          |           |         |
| REGULATORY AUTHORITIES                             |           |         |
| SHAREHOLDERS, INVESTORS AND FINANCIAL INSTITUTIONS |           |         |

### RELATED SDGS



### MAIN POLICIES IMPLEMENTED

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• ACS Sustainability Policy</li> <li>• The ACS Group's Code of Conduct</li> <li>• Code of Conduct for Business Partners</li> <li>• Human Rights Policy</li> <li>• Diversity Policy</li> </ul> | <ul style="list-style-type: none"> <li>• Information Security Policy</li> <li>• Remuneration Policy</li> <li>• Talent Promotion and Evaluation Policy</li> <li>• Risk Control Policy</li> </ul> |
|--|---|

## Occupational health and safety in employees and contractors

### DESCRIPTION AND SUB-TOPICS

Implementation of the measures necessary to ensure maximum health conditions and safety at work for both employees and contractors. Maintaining a preventive approach, establishing commitments, allocating resources and implementing measures and programmes aimed at the prevention and minimisation of occupational risks, establishing protective measures that enable the reduction of occupational accidents.

- Safe and healthy working environment
- Accidents and occupational diseases
- Occupational risk prevention Investment in health and safety
- Occupational health and safety system and certifications
- Health and safety training
- Accident-rate indices
- Absenteeism rate
- Monitoring of health and safety aspects in the supply chain
- Compliance with voluntary health and safety legislation and commitments

### ASSOCIATED RISKS AND OPPORTUNITIES

Ensuring occupational safety and health among employees and contractors is a key aspect in the sector. Occupational accident rates in the infrastructure sector are higher than in other sectors, negatively affecting the perception of stakeholders. Therefore, the ACS Group manages the risks and promotes a safe and healthy working culture and environment through action plans, which establish prevention and monitoring measures with specific targets.

➤ Associated risk Risk Map: Health and safety, occupational risk prevention risks

#### Risks:

- High accident and occupational disease rates
- Loss of employee productivity
- Reputation risks

#### Opportunities:

- Reduction in operational costs
- Leadership position in health and safety
- Improved employee satisfaction.

### DESCRIPTION OF THE MATERIAL TOPIC

|                |                 |
|----------------|-----------------|
| Maintains      | <b>BUSINESS</b> |
| <b>Renamed</b> |                 |
| New            |                 |

### STAKEHOLDER

|   |                  |                |
|---|------------------|----------------|
| <b>CUSTOMERS</b>  | <b>EMPLOYEES</b> | <b>SOCIETY</b> |
| <b>SUPPLIERS AND CONTRACTORS</b>                          |                  |                |
| <b>REGULATORY AUTHORITIES</b>                             |                  |                |
| <b>SHAREHOLDERS, INVESTORS AND FINANCIAL INSTITUTIONS</b> |                  |                |

### RELATED SDGS



### MAIN POLICIES IMPLEMENTED

- ACS Sustainability Policy
- The ACS Group's Code of Conduct
- Code of Conduct for Business Partners
- Human Rights Policy
- Risk Control Policy

## Climate change: transition to a low-carbon business model

### DESCRIPTION AND SUB-TOPICS

The fight against climate change requires companies to transform their business model towards a low-carbon economy. In this regard, the construction sector is one of the most carbon-intensive and to meet the challenges of the climate emergency, companies must adapt their processes and, in particular, their output, in order to contribute to new models that encourage decarbonisation and the reduction of GHG emissions.

- Climate strategy and decarbonisation of the business
- Climate neutrality
- Management of risks and opportunities arising from climate change Measures to adapt to and mitigate climate change
- Analysis of climate scenarios
- Use of alternative fuels
- Carbon calculation and emission offsetting
- Energy efficiency and reduction of GHG emissions
- Promotion of renewable energy sources and divestment of carbon-intensive assets
- Setting an internal carbon price
- Certificate of emissions and energy consumption

### ASSOCIATED RISKS AND OPPORTUNITIES

Companies face the need to design appropriate strategies to address climate change. While most companies focus on the risks associated with climate change, some seek to identify and take advantage of the business opportunities associated with this global challenge. The ACS risk map identifies the specific risks related to climate change (physical and transition risks) based on the relevance they may have for the development of the Company's activity.

➤ Associated risk Risk Map: Climate change and energy efficiency

#### Risks:

- Increase in cost overruns.
- Reputation risks
- Regulatory restrictions and sanctions

#### Opportunities:

- Improvement in the efficiency of the Company's processes.
- Increased response to customer needs.
- Cost savings.

### DESCRIPTION OF THE MATERIAL TOPIC

|                |                 |
|----------------|-----------------|
| Maintains      | <b>BUSINESS</b> |
| <b>Renamed</b> |                 |
| New            |                 |

### STAKEHOLDER

|   |                  |                |
|---|------------------|----------------|
| <b>CUSTOMERS</b>  | <b>EMPLOYEES</b> | <b>SOCIETY</b> |
| <b>SUPPLIERS AND CONTRACTORS</b>                          |                  |                |
| <b>REGULATORY AUTHORITIES</b>                             |                  |                |
| <b>SHAREHOLDERS, INVESTORS AND FINANCIAL INSTITUTIONS</b> |                  |                |

### RELATED SDGS



### MAIN POLICIES IMPLEMENTED

- ACS Sustainability Policy
- The ACS Group's Code of Conduct
- Code of Conduct for Business Partners
- Human Rights Policy
- Environmental policy
- The Audit Committee Report
- Risk Control Policy

## Ethics and compliance

### DESCRIPTION AND SUB-TOPICS

Compliance with current national and international law in the countries in which the Group operates, as well as the specific commitments entered into voluntarily by the organization. It also established guidelines to ensure ethical conduct in those unregulated business areas. Rejection of corruption, fraud, bribery and anti-competitive practices in the conduct of business.

- Compliance with the law, internal regulations and commitments made by the Group
- Penalties and fines received
- Prevention of criminal risk
- Measures to combat corruption, bribery and anti-competitive practices
- Prevention of money laundering
- Conflicts of interest
- Political contributions
- Code of Conduct and whistleblower channel/ethics channel
- Ethical conduct and integrity

### ASSOCIATED RISKS AND OPPORTUNITIES

The lack of a preventive framework to prevent inappropriate conduct, even if it does not entail a legal breach, may compromise the Group's image. Organisations need to have the appropriate control mechanisms to guarantee the highest ethical standards from any natural or legal person acting on behalf of the ACS Group.

➤ Associated risks Risk Map: Regulatory breach, regulatory changes, breach of national and international tax regulations and fraud

- |  |  |
|--|--|
| <p>Risks:</p> <ul style="list-style-type: none"> <li>• Regulatory breach with the possibility of economic or criminal sanctions</li> <li>• Reputation risks</li> <li>• Conflict with stakeholders</li> </ul> | <p>Opportunities:</p> <ul style="list-style-type: none"> <li>• Minimisation of criminal offences</li> <li>• Strengthening the corporate image</li> </ul> |
|--|--|

### DESCRIPTION OF THE MATERIAL TOPIC

|                |                 |
|----------------|-----------------|
| Maintains      | <b>BUSINESS</b> |
| <b>Renamed</b> |                 |
| New            |                 |

### STAKEHOLDER

|  |           |         |
|--|-----------|---------|
| CUSTOMERS  | EMPLOYEES | SOCIETY |
| SUPPLIERS AND CONTRACTORS                          |           |         |
| REGULATORY AUTHORITIES                             |           |         |
| SHAREHOLDERS, INVESTORS AND FINANCIAL INSTITUTIONS |           |         |

### RELATED SDGS



### MAIN POLICIES IMPLEMENTED

- The ACS Group's Code of Conduct
- Code of Conduct for Business Partners
- Competition Policy and Compliance Protocol
- Criminal and Anti-Bribery Compliance Policy
- Treasury Stock Policy, Rules of Conduct in the Stock Exchange

## Responsible management of the supply chain

### DESCRIPTION AND SUB-TOPICS

Ensuring that the company's suppliers and contractors comply with their commitments and expectations through awareness-raising through established ethical and environmental principles. This management must be carried out through the dissemination and application of environmental, social and governance (ESG) criteria in business relationships with third parties.

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• Approval and selection of suppliers</li> <li>• Code of Conduct for business partners</li> <li>• Supply chain impact management</li> <li>• Training of suppliers</li> </ul> | <ul style="list-style-type: none"> <li>• Due diligence (financial and non-financial) in the supply chain</li> <li>• Inclusion of ESG criteria in supply chain management</li> <li>• ESG clauses to suppliers</li> </ul> |
|---|---|

### ASSOCIATED RISKS AND OPPORTUNITIES

The management systems responsible for suppliers and contractors allow for the mitigation of the potential risks associated with the supply chain, improving processes and working conditions, and creating opportunities and lasting relationships of trust. Otherwise, the failure to implement a responsible management system might pose significant legal and operational risks for the Group.

➤ Associated risk Risk Map: Purchases/Subcontracting

- |   |  |
|---|--|
| <p>Risks:</p> <ul style="list-style-type: none"> <li>• Increase in costs associated with activities.</li> <li>• Loss of market share</li> <li>• Loss of license to operate</li> </ul> | <p>Opportunities:</p> <ul style="list-style-type: none"> <li>• Reputational improvement</li> <li>• Competitive differentiation</li> <li>• Increase in supplier and contractor loyalty</li> </ul> |
|---|--|

### DESCRIPTION OF THE MATERIAL TOPIC

|                |                 |
|----------------|-----------------|
| Maintains      | <b>BUSINESS</b> |
| <b>Renamed</b> |                 |
| New            |                 |

### STAKEHOLDER

|  |           |         |
|--|-----------|---------|
| CUSTOMERS  | EMPLOYEES | SOCIETY |
| SUPPLIERS AND CONTRACTORS                          |           |         |
| REGULATORY AUTHORITIES                             |           |         |
| SHAREHOLDERS, INVESTORS AND FINANCIAL INSTITUTIONS |           |         |

### RELATED SDGS



### MAIN POLICIES IMPLEMENTED

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• ACS Sustainability Policy</li> <li>• The ACS Group's Code of Conduct</li> <li>• Human Rights Policy</li> <li>• Corporate Protocol on Due Diligence in regard to Human Rights</li> </ul> | <ul style="list-style-type: none"> <li>• Environmental policy</li> <li>• The Audit Committee Report</li> <li>• Risk Control Policy</li> <li>• Code of Conduct Business Partners</li> </ul> |
|--|--|

## Sustainable and resilient infrastructure

### DESCRIPTION AND SUB-TOPICS

The risks arising from climate change, the scarcity of natural resources and the state and social context in the territory increase the demand for sustainable infrastructure. Since a significant percentage of GHG emissions come from buildings, developing more energy-efficient infrastructure contributes to climate change mitigation.

- Environmentally friendly infrastructure
- Sustainable construction and BREEAM, LEED, etc. certifications
- Energy efficiency in buildings and infrastructure
- Renovation and reconditioning of buildings
- Durability and resilience of construction materials and designs
- Resilience of infrastructure to extreme weather events
- Smart infrastructure
- Connectivity of infrastructure
- Sustainable product certificates
- Product environmental footprint

### ASSOCIATED RISKS AND OPPORTUNITIES

The design and execution of resilient infrastructure, in addition to granting recognition and leadership, make it possible to provide safer services that better withstand extreme weather events and mitigate the effects of natural threats on society and its economy

➤ Associated risk Risk Map: Loss of market competitiveness and innovation capacity.

- |  |   |
|--|---|
| <p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>• Loss of competitiveness</li> <li>• Physical risks arising from climate change</li> <li>• Reputational damage</li> <li>• Loss of profitability</li> </ul> | <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>• Reduction of the environmental footprint</li> <li>• Adaptation to climate change</li> <li>• Economic growth</li> <li>• Reduction of inequalities</li> </ul> |
|--|---|

### DESCRIPTION OF THE MATERIAL TOPIC

|                |                 |
|----------------|-----------------|
| Maintains      | <b>BUSINESS</b> |
| <b>Renamed</b> |                 |
| New            |                 |

### STAKEHOLDER

|   |                  |                |
|---|------------------|----------------|
| <b>CUSTOMERS</b>  | <b>EMPLOYEES</b> | <b>SOCIETY</b> |
| <b>SUPPLIERS AND CONTRACTORS</b>                          |                  |                |
| <b>REGULATORY AUTHORITIES</b>                             |                  |                |
| <b>SHAREHOLDERS, INVESTORS AND FINANCIAL INSTITUTIONS</b> |                  |                |

### RELATED SDGS



### MAIN POLICIES IMPLEMENTED

- ACS Sustainability Policy
- Environmental policy
- Construction Materials Policy
- Risk Control Policy

## Respect for Human Rights

### DESCRIPTION AND SUB-TOPICS

The protection, promotion and respect for Human Rights in the Company's direct and indirect operations, through the development of due diligence processes that prevent and mitigate the associated risks and their monitoring.

- Strict compliance with Human Rights
- Adherence to covenants and compliance with international conventions/treaties
- Voluntary business commitments in relation to Human Rights
- Protection of indigenous peoples and local communities
- Human Rights risk identification processes in direct transactions and value chain
- Eradication of child and forced labour
- Risk mitigation plans associated with compliance with Human Rights
- Systems that guarantee respect for Human Rights (policies, channels)
- Reports of cases of Human Rights violations

### ASSOCIATED RISKS AND OPPORTUNITIES

Violation of Human Rights poses a risk and requires the establishment of a procedure to identify, prevent, mitigate and report. The Company must address the impact of business activity on Human Rights in its operations, activities and services in all territories in which it operates. Respect for Human Rights presents opportunities such as the establishment of decent work, improving the economic growth in the area.

➤ Associated risks Risk Map: Regulatory breach and violation of Human Rights

- |   |  |
|---|--|
| <p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>• Statutory breach</li> <li>• Less operability</li> <li>• Reputation risks</li> </ul> | <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>• Establishment of secure commercial relationships</li> <li>• Reputational improvement</li> <li>• Growth and expansion into new markets</li> </ul> |
|---|--|

### DESCRIPTION OF THE MATERIAL TOPIC

|                |                 |
|----------------|-----------------|
| Maintains      | <b>BUSINESS</b> |
| <b>Renamed</b> |                 |
| New            |                 |

### STAKEHOLDER

|   |                  |                |
|---|------------------|----------------|
| <b>CUSTOMERS</b>  | <b>EMPLOYEES</b> | <b>SOCIETY</b> |
| <b>SUPPLIERS AND CONTRACTORS</b>                          |                  |                |
| <b>REGULATORY AUTHORITIES</b>                             |                  |                |
| <b>SHAREHOLDERS, INVESTORS AND FINANCIAL INSTITUTIONS</b> |                  |                |

### RELATED SDGS



### MAIN POLICIES IMPLEMENTED

- ACS Sustainability Policy
- The ACS Group's Code of Conduct
- Code of Conduct for Business Partners
- Human Rights Policy
- Corporate Protocol on Due Diligence in regard to Human Rights
- The Audit Committee Report

## Investment and sustainable financing

### DESCRIPTION AND SUB-TOPICS

Opening to new financing models based on ESG criteria in accordance with the requirements of financiers, analysts, and responsible investors, allowing companies to be key agents in the transition to a sustainable future.

- New financing models linked to sustainability (green bonds and loans)
- Classification of the portfolio with regard to ESG criteria (e.g: EU Taxonomy)
- Sustainable investment and attraction of new responsible investors
- Assessment of ESG analysts and investors
- Requirements for investors, shareholders and financiers with ESG criteria
- Investment/purchase/sale decision making taking into account sustainability criteria

### ASSOCIATED RISKS AND OPPORTUNITIES

The growing trend towards sustainability in financial markets opens up new investment flows that focus on ESG aspects. Therefore, sustainability performance allows the emergence of new sources of financing.

➤ Associated risk Risk Map: Inadequate investment/divestment strategy

#### Risks:

- Capital loss
- Loss of competitiveness

#### Opportunities:

- Access to new forms of financing
- Irruption in new markets
- Reduced market volatility

### DESCRIPTION OF THE MATERIAL TOPIC

|           |                 |
|-----------|-----------------|
| Maintains | <b>BUSINESS</b> |
| Renamed   |                 |
| New       |                 |

### STAKEHOLDER

|  |           |         |
|--|-----------|---------|
| CUSTOMERS  | EMPLOYEES | SOCIETY |
| SUPPLIERS AND CONTRACTORS                          |           |         |
| REGULATORY AUTHORITIES                             |           |         |
| SHAREHOLDERS, INVESTORS AND FINANCIAL INSTITUTIONS |           |         |

### RELATED SDGS



### MAIN POLICIES IMPLEMENTED

- The ACS Group's Code of Conduct
- The Audit Committee Report

## Water management

### DESCRIPTION AND SUB-TOPICS

Water is one of the most important resources for ACS Group operations. Its extraction, use and discharge can have a major impact on the environment. Therefore, it is necessary for the correct development of the Group's activities to identify and mitigate the water risks to which it is exposed, as well as the implementation of procedures for responsible management.

- Water consumption: reduction and efficient use of resources
- Availability and accessibility of water in the territory, especially in water stress areas.
- Diversification of water collection sources
- Quality of water in harvesting and discharge
- Water purification/treatment and Water reuse and recycling
- Setting an internal price of water
- Calculation of the water footprint

### ASSOCIATED RISKS AND OPPORTUNITIES

The increasing pressure on water resources and the need to preserve the natural environment make their control and management indispensable. Therefore, it is important to promote the rational use of water and the development of infrastructure that contributes to its conservation, enabling the Group's activity to be carried out in a more sustainable and environmentally friendly manner.

➤ Associated risks Risk Map: Efficient use of resources and circular economy and risk control in tenders

#### Risks:

- Statutory breach
- Litigation and environmental sanctions
- Water scarcity and drought scenarios
- Inefficient use of water

#### Opportunities:

- Optimisation of consumption
- Reputational improvement by implementing good practices
- Reduction in production costs

### DESCRIPTION OF THE MATERIAL TOPIC

|           |                 |
|-----------|-----------------|
| Maintains | <b>BUSINESS</b> |
| Renamed   |                 |
| New       |                 |

### STAKEHOLDER

|  |           |         |
|--|-----------|---------|
| CUSTOMERS  | EMPLOYEES | SOCIETY |
| SUPPLIERS AND CONTRACTORS                          |           |         |
| REGULATORY AUTHORITIES                             |           |         |
| SHAREHOLDERS, INVESTORS AND FINANCIAL INSTITUTIONS |           |         |

### RELATED SDGS



### MAIN POLICIES IMPLEMENTED

- ACS Sustainability Policy
- Environmental policy

## Circularity in the procurement of construction materials and in waste management



### DESCRIPTION AND SUB-TOPICS

Methodologies, processes, technologies and good practices that make it possible to minimise the use of resources, increasing waste recovery.

- Traceability of the origin and destination of raw materials and waste
- Consumption of responsible-source and recycled raw materials (e.g.: conflict minerals)
- Efficient use of natural resources
- Innovation in the development of new building materials
- Waste management, segregation at the source and destination of waste, especially construction and demolition waste (CDW).
- Reuse/recycling rate, especially of CDW.
- Circular economy strategy

### ASSOCIATED RISKS AND OPPORTUNITIES

The incorporation of circular concepts into the production model makes it possible to reduce the intensive use of natural resources and the high pressure on the environment. Resource optimisation also increases operational and financial efficiency, in addition to reducing the waste generated.

➤ Associated risk Risk Map: Efficient use of resources and circular economy

#### Risks:

- Failure to comply with the ACS environment policy
- Reputation risks
- Statutory breach
- Inefficient use of raw materials or conflict minerals
- Increase in production costs

#### Opportunities:

- Reduction of risks arising from the purchase of raw materials
- Economic profitability

### DESCRIPTION OF THE MATERIAL TOPIC

|           |                 |
|-----------|-----------------|
| Maintains | <b>BUSINESS</b> |
| Renamed   |                 |
| New       |                 |

### STAKEHOLDER

|  |           |         |
|--|-----------|---------|
| CUSTOMERS  | EMPLOYEES | SOCIETY |
| SUPPLIERS AND CONTRACTORS                          |           |         |
| REGULATORY AUTHORITIES                             |           |         |
| SHAREHOLDERS, INVESTORS AND FINANCIAL INSTITUTIONS |           |         |

### RELATED SDGS



### MAIN POLICIES IMPLEMENTED

- ACS Sustainability Policy
- Environmental policy
- Construction Materials Policy
- Risk Control Policy

## Equality, diversity and non-discrimination



### DESCRIPTION AND SUB-TOPICS

Promotion of a working environment based on equal opportunities and diversity in all areas of the company, from staff selection processes to management and professional development programmes, applying fair and non-discriminatory criteria. Upholding non-discrimination based on sex, race, religion, age, sexual orientation, nationality.

- Equal opportunities for all
- Non-discrimination
- Protocols and channels against reporting discrimination and harassment
- Selection processes under equality and non-discrimination criteria
- Gender diversity
- Generational diversity
- Cultural diversity/race or ethnicity
- Presence of women in staff and retention and promotion of women in management positions
- Equality plans
- Multidisciplinary and diverse teams
- Wage gap

### ASSOCIATED RISKS AND OPPORTUNITIES

Ensuring equal and fair treatment of employees who are part of the Group is not only due to regulatory requirements but also to increasing demand from stakeholders. Ensuring the prevalence of these principles in people management programmes ensures a greater ability to attract and retain talent and improve their productivity.

➤ Associated risks Risk Map: Attracting and retaining talent and Employment relationships

#### Risks:

- Loss of key profiles for the organisation
- Reduction in economic growth
- Reputation risks

#### Opportunities:

- Increase in feeling of belonging
- Increase in efficiency
- Creation of more inclusive environments

### DESCRIPTION OF THE MATERIAL TOPIC

|           |                 |
|-----------|-----------------|
| Maintains | <b>BUSINESS</b> |
| Renamed   |                 |
| New       |                 |

### STAKEHOLDER

|  |           |         |
|--|-----------|---------|
| CUSTOMERS  | EMPLOYEES | SOCIETY |
| SUPPLIERS AND CONTRACTORS                          |           |         |
| REGULATORY AUTHORITIES                             |           |         |
| SHAREHOLDERS, INVESTORS AND FINANCIAL INSTITUTIONS |           |         |

### RELATED SDGS



### MAIN POLICIES IMPLEMENTED

- ACS Sustainability Policy
- The ACS Group's Code of Conduct
- Human Rights Policy
- Diversity Policy
- Remuneration Policy
- Talent Development and Assessment Policy
- Risk Control Policy

## Fair remuneration and quality employment

### DESCRIPTION AND SUB-TOPICS

Establishment of measures (work-life balance, remuneration, flexible hours, etc.) within the company that allow the relationship with its employees to be improved in order to increase their satisfaction in the work environment..

- Group remuneration policy and incentives for employees linked to their performance
- Decent salary
- Remuneration and pay gap
- Work-life balance
- New forms of work
- Organisation of work time
- Digital disconnection and time flexibility
- Employee benefits
- Freedom of association and collective bargaining
- Positioning on maintaining jobs vs. Collective layoffs

### ASSOCIATED RISKS AND OPPORTUNITIES

The creation of stable, dignified and fairly paid employment is a key aspect to be taken into account in the management of the Company's risks. It can lead to a loss of productivity, competition and business profitability by generating a negative working environment and dissatisfaction among employees. On the other hand, providing quality employment increases employee satisfaction and sense of belonging.

➤ Associated risks Risk Map: Attracting and retaining talent and Labour relations.

#### Risks:

- Loss of talent and key profiles
- High rate of employee turnover and absenteeism, and therefore inefficiency in human resources
- Reduction of feeling of belonging

#### Opportunities:

- Increased control and operational quality
- Efficient strategic planning of human resources
- Reputational improvement

### DESCRIPTION OF THE MATERIAL TOPIC

|            |                 |
|------------|-----------------|
| Maintains  | <b>BUSINESS</b> |
| Renamed    |                 |
| <b>New</b> |                 |

### STAKEHOLDER

|  |           |         |
|--|-----------|---------|
| CUSTOMERS  | EMPLOYEES | SOCIETY |
| SUPPLIERS AND CONTRACTORS                          |           |         |
| REGULATORY AUTHORITIES                             |           |         |
| SHAREHOLDERS, INVESTORS AND FINANCIAL INSTITUTIONS |           |         |

### RELATED SDGS



### MAIN POLICIES IMPLEMENTED

- ACS Sustainability Policy
- The ACS Group's Code of Conduct
- Remuneration Policy

## Customer orientation and quality

### DESCRIPTION AND SUB-TOPICS

Examining, managing, and responding to customers' expectations and needs to establish a product and service design methodology, based on offering the highest quality standards.

- Customer-oriented management
- Customer satisfaction
- Compliance with customer requirements
- Quality and safety of products and services
- Quality and safety systems and assessments
- Quality and safety product labelling
- Quality and safety certificates
- Claims management

### ASSOCIATED RISKS AND OPPORTUNITIES

The organisation must act in accordance with quality standards, with the aim of identifying and meeting customers' needs and priorities. A bad assessment or a problem related to the health and safety of customers in the services provided results in potential risks for the Group, such as a decrease in sales and reputational risk.

➤ Associated risks Risk Map: Customer relations

#### Risks:

- Increase in costs associated with activities
- Reputation risks
- Reduction in activity

#### Opportunities:

- Reputational improvement
- Life cycle analysis: cost savings and efficiency improvements
- Competitive differentiation

### DESCRIPTION OF THE MATERIAL TOPIC

|            |                 |
|------------|-----------------|
| Maintains  | <b>BUSINESS</b> |
| Renamed    |                 |
| <b>New</b> |                 |

### STAKEHOLDER

|  |           |         |
|--|-----------|---------|
| CUSTOMERS  | EMPLOYEES | SOCIETY |
| SUPPLIERS AND CONTRACTORS                          |           |         |
| REGULATORY AUTHORITIES                             |           |         |
| SHAREHOLDERS, INVESTORS AND FINANCIAL INSTITUTIONS |           |         |

### RELATED SDGS



### MAIN POLICIES IMPLEMENTED

- ACS Sustainability Policy
- The ACS Group's Code of Conduct
- Quality policy



## Good corporate governance

### DESCRIPTION AND SUB-TOPICS

Set of rules, principles and procedures that regulate the structure and functioning of the Company's governing bodies, as well as the decision-making process to ensure the generation of shared value. The ACS Group has adopted a governance model composed of the Shareholders' General Meeting, the Board of Directors, and the Board's Delegated Committees, implementing the most demanding principles of corporate governance as a listed company.

- Structure and diversity of governing bodies
- Capital structure
- Regulations and policies of governing bodies
- Selection, professionalism, experience, training and independence of the Board
- Assessment of directors' performance
- Follow-up to the recommendations of Good Corporate Governance of reference entities
- Directors remuneration process

### ASSOCIATED RISKS AND OPPORTUNITIES

The importance acquired in recent years by the appropriate and transparent management of listed companies for most stakeholders is essential for the success of the business. The difference in the return on equity in the medium term between well-governed and poorly governed companies is supported by empirical data. Good corporate governance is the basis for the operation of the markets and ensures the sustainable growth of the company, as it promotes credibility, stability and increases access to foreign credit. It includes the controls and balances that allow the highest governing body of the organisation to have adequate control and supervisory responsibilities over key business matters.

➤ Associated risk Risk Map: Management of the concession/service/project

#### Risks:

- Reputational risk before investors, shareholders and others
- Internal crisis and weak governance model
- Regulatory breach with the possibility of economic or criminal sanctions

#### Opportunities:

- Increasing the company's credibility and stability.
- It promotes access to foreign credit and ensures sustainable growth in the medium and long term.

### DESCRIPTION OF THE MATERIAL TOPIC

Maintains **BUSINESS**

Renamed

New

### STAKEHOLDER

|  |           |         |
|--|-----------|---------|
| CUSTOMERS  | EMPLOYEES | SOCIETY |
| SUPPLIERS AND CONTRACTORS                          |           |         |
| REGULATORY AUTHORITIES                             |           |         |
| SHAREHOLDERS, INVESTORS AND FINANCIAL INSTITUTIONS |           |         |

### RELATED SDGS



### MAIN POLICIES IMPLEMENTED

- Remuneration of the Board of Directors
- Company By-laws
- Shareholders' General Meeting Regulations
- Rules of Conduct in the Stock Exchange
- The ACS Group's Social Action Policy
- Diversity Policy
- Enforcement and anti-bribery policy
- The Audit Committee Report

## Sustainability strategy and governance



### DESCRIPTION AND SUB-TOPICS

Integrating environmental, social and governance (ESG) aspects into the business strategy as a key lever to PROMOTE the Group's objectives in the medium to long term. It encourages the development of sustainable solutions, including cross-cutting sustainability in company management and internal processes with defined responsible parties.

- Master Plan/Sustainability Strategy
- Sustainability Policy
- Integrating ESG aspects into business strategy
- Setting non-financial targets in the short/ medium term
- ESG governance model and performance monitoring
- Highest party responsible for Sustainability at the Company (e.g: Chief Sustainability Officer)
- Remuneration policy and variable remuneration linked to ESG targets

### ASSOCIATED RISKS AND OPPORTUNITIES

The current economic model is in the process of transition to a sustainable economy, which makes the expectations of stakeholders much more demanding as regards sustainability. In this context, the growing need to adequately control and manage ESG matters requires a solid governance model for sustainability so as not to compromise the business objectives, monitoring the degree of progress in the ESG challenges that affect the company.

#### Risks:

- Failure to adapt the business model
- Ineffective management of relevant aspects with the potential to affect the business
- Loss of competitiveness

#### Opportunities:

- Adequate response to the expectations of stakeholders and anticipation of new regulatory requirements.
- Development of new products and irruption in new markets.
- Public positions in key areas

### DESCRIPTION OF THE MATERIAL TOPIC

Maintains **BUSINESS**

Renamed

New

### STAKEHOLDER

|  |           |         |
|--|-----------|---------|
| CUSTOMERS  | EMPLOYEES | SOCIETY |
| SUPPLIERS AND CONTRACTORS                          |           |         |
| REGULATORY AUTHORITIES                             |           |         |
| SHAREHOLDERS, INVESTORS AND FINANCIAL INSTITUTIONS |           |         |

### RELATED SDGS



### MAIN POLICIES IMPLEMENTED

The ACS Group's Sustainability Policy ACS



## Risk management and opportunities

### DESCRIPTION AND SUB-TOPICS

Identification, assessment and management of the risks and potential opportunities to which the Group is exposed, establishing the controls and follow-up models for their monitoring. The ACS Group has a risk control system to mitigate these risks and meet the targets set by the Board.

- Risk Management System and risk and opportunity map
- Identification and integration of financial and non-financial risk management
- Financial quantification of the implications of risks (financial and non-financial)
- Mechanisms to ensure the effectiveness of risk management processes
- Experience and training in risk management (governing bodies and employees)
- Crisis management
- Business continuity plan

### ASSOCIATED RISKS AND OPPORTUNITIES

The geographical and business diversification of the ACS Group, together with its high operational decentralisation, makes the ACS Group exposed to numerous risks with the potential to directly impact the business. Therefore, an effective risk management and control system is necessary to ensure business resilience and compliance with the organisation's objectives.

➤ Associated risks Risk Map: Risk control in tenders

- |   |   |
|---|---|
| <p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>• Impact on the Company's targets.</li> <li>• Creation of uncertainty in the market and mistrust from analysts and investors</li> <li>• Equity loss</li> <li>• Vulnerability to emerging risks</li> </ul> | <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>• Business stability</li> <li>• Competitive advantages</li> <li>• Reputational improvement</li> <li>• Decision-making driver</li> </ul> |
|---|---|

### DESCRIPTION OF THE MATERIAL TOPIC

|           |                 |
|-----------|-----------------|
| Maintains | <b>BUSINESS</b> |
| Renamed   |                 |
| New       |                 |

### STAKEHOLDER

|  |           |         |
|--|-----------|---------|
| CUSTOMERS  | EMPLOYEES | SOCIETY |
| SUPPLIERS AND CONTRACTORS                          |           |         |
| REGULATORY AUTHORITIES                             |           |         |
| SHAREHOLDERS, INVESTORS AND FINANCIAL INSTITUTIONS |           |         |

### RELATED SDGS

N/A

### MAIN POLICIES IMPLEMENTED

- General Risk Control and Management Policy
- ACS Sustainability Policy
- Human Rights Policy
- Information Security Policy
- Competition Compliance Policy and Protocol
- Enforcement and anti-bribery policy

## Financial solvency and value generation for shareholders and investors

### DESCRIPTION AND SUB-TOPICS

The ACS Group's business model seeks to ensure maximum profitability for its shareholders and investors while pursuing global leadership, positioning itself as one of the main agents in the sectors in which it operates. To this end, a sound financial structure is necessary.

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• Economic performance and attributable results</li> <li>• Profit and return</li> <li>• Long-term value generation for shareholders and investors</li> <li>• Market competition, differentiation and new competitors</li> </ul> | <ul style="list-style-type: none"> <li>• Business leadership</li> <li>• Purchases and sales</li> <li>• Business diversification and expansion into new markets (Internationalisation of the business)</li> <li>• Share in Joint Ventures</li> <li>• Public - Private Partnership (PPP)</li> </ul> |
|--|---|

### ASSOCIATED RISKS AND OPPORTUNITIES

The increasingly competitive and global environment in which the ACS Group operates involves large capital needs to successfully implement its projects, sound financial management to meet the challenges of the future while seeking to maximise profitability for its shareholders.

➤ Associated risk Risk Map: Inadequate investment/divestment strategy and Debt

- |   |   |
|---|---|
| <p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>• Financial risks (liquidity, credit, currency, etc.)</li> <li>• Devaluation of shares</li> <li>• Breach of the growth targets set</li> </ul> | <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>• Profitability</li> <li>• Leadership</li> <li>• Improvement of reputation</li> </ul> |
|---|---|

### DESCRIPTION OF THE MATERIAL TOPIC

|           |                 |
|-----------|-----------------|
| Maintains | <b>BUSINESS</b> |
| Renamed   |                 |
| New       |                 |

### STAKEHOLDER

|  |           |         |
|--|-----------|---------|
| CUSTOMERS  | EMPLOYEES | SOCIETY |
| SUPPLIERS AND CONTRACTORS                          |           |         |
| REGULATORY AUTHORITIES                             |           |         |
| SHAREHOLDERS, INVESTORS AND FINANCIAL INSTITUTIONS |           |         |

### RELATED SDGS



### MAIN POLICIES IMPLEMENTED

- ACS Sustainability Policy
- General Risk Control and Management Policy
- Remuneration Policy

## Transparency and dialogue with stakeholders

### DESCRIPTION AND SUB-TOPICS

As part of the commitment to transparency in management, information from the Company is disclosed to stakeholders, with information being accessible, clear and truthful. Determining the sensitive information to be published, ensuring the veracity of the information provided and control over it has an impact on the Company's image. This transparency also requires stakeholders to make available the necessary channels of communication that make it possible to become aware of and respond to their expectations and thus establish relationships of trust with them.

- Strategy/Policy for communication with stakeholders
- Monitoring of financial and non-financial information
- Responsibilities and control points defined to ensure the quality of the information
- Verification of information
- Compliance with information disclosure requirements
- Communication channels with stakeholders
- Management of shareholder expectations
- Participation in institutions and associations

### ASSOCIATED RISKS AND OPPORTUNITIES

Impartial, responsible, consistent and full communication with stakeholders makes it possible to establish relationships of trust that increase loyalty, offering opportunities, such as the supply of shared value products and services, which directly affect the development of the business. The associated risks may include conflict with stakeholders and impairment of the corporate image, which may negatively affect the execution of projects and the provision of services.

➤ Associated risks Risk Map: External communication with stakeholders and reliability of financial and non-financial information

#### Risks:

- Loss of trust
- Reduction in customer satisfaction
- Management of relations with stakeholders
- Loss of profitability

#### Opportunities:

- Protection of integrity
- Improvement of transparency
- Knowledge of customer needs

### DESCRIPTION OF THE MATERIAL TOPIC

|            |                 |
|------------|-----------------|
| Maintains  | <b>BUSINESS</b> |
| Renamed    |                 |
| <b>New</b> |                 |

### STAKEHOLDER

|   |                  |                |
|---|------------------|----------------|
| <b>CUSTOMERS</b>  | <b>EMPLOYEES</b> | <b>SOCIETY</b> |
| <b>SUPPLIERS AND CONTRACTORS</b>                          |                  |                |
| <b>REGULATORY AUTHORITIES</b>                             |                  |                |
| <b>SHAREHOLDERS, INVESTORS AND FINANCIAL INSTITUTIONS</b> |                  |                |

### RELATED SDGS



### MAIN POLICIES IMPLEMENTED

- ACS Sustainability Policy
- Code of Conduct for Business Partners
- Human Rights Policy
- General Risk Control and Management Policy
- Corporate Tax Policy
- Environmental policy
- Non-financial information law

## Innovation and Technology

### DESCRIPTION AND SUB-TOPICS

Improvement of operating processes through research and integration of technology that enable continuous improvement within the company, increasing the quality of the products offered and customer satisfaction.

- Innovation in the development of new products and services (in line with the new requirements: sustainability, innovation, digitalisation, etc.)
- Development of modern and innovative construction products and techniques (MMC)
- Investment in R&D+i
- Innovation for operational efficiency
- Building Information Modelling (BIM)
- Industry 4.0
- Intellectual property and patent management
- Innovation Hub

### ASSOCIATED RISKS AND OPPORTUNITIES

Technological changes take place at such a fast speed that they require companies to adapt to them, in some cases as a competitive advantage and, in others, as a need for survival. Technological development must contribute to the management of resources and the achievement of the Company's objectives based on sustainability and knowledge as a driver of development. Innovation enables ACS to acquire a leading position vis-à-vis other competitors. However, the absence of technological and innovation plans may lead to a loss of competitiveness.

➤ Associated risks Risk Map: Loss of market competitiveness and innovation capacity.

#### Risks:

- Loss of efficiency
- Increase in competition
- Need for skilled labour

#### Opportunities:

- Increase in competitiveness
- Cost reduction
- Increase in the quality of services and products

### DESCRIPTION OF THE MATERIAL TOPIC

|            |                 |
|------------|-----------------|
| Maintains  | <b>BUSINESS</b> |
| Renamed    |                 |
| <b>New</b> |                 |

### STAKEHOLDER

|   |                  |                |
|---|------------------|----------------|
| <b>CUSTOMERS</b>  | <b>EMPLOYEES</b> | <b>SOCIETY</b> |
| <b>SUPPLIERS AND CONTRACTORS</b>                          |                  |                |
| <b>REGULATORY AUTHORITIES</b>                             |                  |                |
| <b>SHAREHOLDERS, INVESTORS AND FINANCIAL INSTITUTIONS</b> |                  |                |

### RELATED SDGS



### MAIN POLICIES IMPLEMENTED

- ACS Sustainability Policy
- The Audit Committee Report

## 7.3. NON-FINANCIAL INFORMATION ANNEXES

### 7.3.1. GRI CONTENTS

This report was prepared in accordance with the Exhaustive option of the GRI Standards. For Materiality Disclosures Services, GRI Services reviewed the GRI content index to ensure that it is clear, and that the references for Contents 102-40 to 102-49 correspond to the sections indicated in the report.



| GRI content index                        |   |  |           |
|--|---|--|-----------|
| GRI Standard                             | Disclosure  | Page number (s) and/or URL (s)                 | Omissions |
| <b>GRI 101: Foundation 2016</b>          |   |  |           |
| <b>GRI 102: General Disclosures 2016</b> |   |  |           |
| <b>Organisational profile</b>            | 102-1 Name of the organisation                                      | 24   |           |
|  | 102-2 Activities, trademarks, products and services                 | 24-25; 90                                      |           |
|  | 102-3 Location of the headquarters                                  | 24   |           |
|  | 102-4 Location of operations  | 25;55-56;62-63;67-68                           |           |
|  | 102-5 Ownership and legal form                                      | 190  |           |
|  | 102-6 Markets served  | 25;55-56;62-63;67-68                           |           |
|  | 102-7 Size of the organisation                                      | 24   |           |
|  | 102-8 Information on employees and other workers                    | 119-120  |           |
|  | 102-9 Supply chain  | 161  |           |
|  | 102-10 Significant changes in the organisation and its supply chain | 40-41  |           |
|  | 102-11 Precautionary principle or approach                          | 96   |           |
|  | 102-12 External initiatives   | 151;230  |           |
|  | 102-13 Membership associations                                      | 230  |           |
| <b>Strategy</b>                          | 102-14 Statement from senior decision-makers                        | 12-13  |           |
|  | 102-15 Key impacts, risks and opportunities                         | 44-47;92-93;98-100;117-118;130;139;149;164;170 |           |
| <b>Ethics and transparency</b>           | 102-16 Values, principles, standards and norms of behaviour         | 26;140-149                                     |           |
|  | 102-17 Advisory mechanisms and ethical concerns                     | 147  |           |

| GRI content index   |   |   |           |
|---|---|---|-----------|
| GRI Standard  | Disclosure  | Page number (s) and/or URL (s)  | Omissions |
| <b>Governance</b>   | 102-18 Governance structure   | 188-189   |           |
|   | 102-19 Delegating authority   | 188-189   |           |
|   | 102-20 Executive-level responsibility for economic, environmental and social topics | 192   |           |
|   | 102-21 Consulting stakeholders on economic, environmental and social projects.      | 200-201   |           |
|   | 102-22 Composition of the highest governance body and its committees                | 16-17   |           |
|   | 102-23 Chair of the highest governance body   | 16-17   |           |
|   | 102-24 Nomination and selection of the highest governance body                      | 192   |           |
|   | 102-25 Conflicts of interest  | 189   |           |
|   | 102-26 Role of the highest governance body in setting purpose, values and strategy  | 192   |           |
|   | 102-27 Collective knowledge of the highest governance body                          | 193   |           |
|   | 102-28 Evaluating the highest governance body's performance                         | 192   |           |
|   | 102-29 Identifying and managing economic, environmental and social impacts.         | 44-47;92-93;98-100;117-118;130;139;149;164;170  |           |
|   | 102-30 Effectiveness of risk management processes                                   | 44-47   |           |
|   | 102-31 Review of economic, environmental and social topics                          | Economic topics at least quarterly. Environmental and social topics, at least annually. |           |
|   | 102-32 Role of the highest governance body in preparing sustainability reports      | 188-189   |           |
|   | 102-33 Communicating critical concerns  | 147-148;150-151   |           |
|   | 102-34 Nature and total number of critical concerns                                 | 148   |           |
|   | 102-35 Remuneration policies  | 192;194;234   |           |
|   | 102-36 Process for determining remuneration   | 194;234   |           |
|   | 102-37 Stakeholders' involvement in remuneration                                    | 194;234   |           |
| 102-38 Annual total compensation ratio                        | 127-128;234   |   |           |
| 102-39 Percentage increase in annual total compensation ratio | 127-128;234   |   |           |
| <b>Stakeholder engagement</b>                                 | 102-40 List of stakeholder groups   | 150-151   |           |
|   | 102-41 Collective bargaining agreements   | 129   |           |
|   | 102-42 Identifying and selecting stakeholders                                       | 150-151   |           |
|   | 102-43 Approach to stakeholder engagement   | 151   |           |
|   | 102-44 Key issues and concerns raised   | 200-202   |           |
| <b>Reporting practice</b>                                     | 102-45 Entities included in the consolidated financial statements                   | 9   |           |
|   | 102-46 Defining report content and topic Boundaries                                 | 198-200; 226-229  |           |
|   | 102-47 List of material topics  | 200-202   |           |
|   | 102-48 Restatements of information  | 199   |           |
|   | 102-49 Changes in reporting   | 199   |           |
|   | 102-50 Period covered by the report   | 9   |           |
|   | 102-51 Date of last report  | Mar-20  |           |
|   | 102-52 Reporting cycle  | 199   |           |
|   | 102-53 Contact point for questions regarding the report                             | 230   |           |
|   | 102-54 Claims of reporting in accordance with the                                   | 9;198,213   |           |
|   | 102-55 GRI content index  | 213   |           |
| 102-56 External verification                                  | 236-238   |   |           |
| <b>Material issues</b>  |   |   |           |
| <b>Ethics &amp; Compliance</b>                                |   |   |           |
| <b>GRI 103: 2016 management approach</b>                      | 103-1 Explanation of the material topic and its boundary                            | 205; 140-149  |           |
|   | 103-2 Management approach and components  | 205;140-149   |           |
|   | 103-3 Evaluation of the management approach   | 140-149   |           |

| GRI content index   |   |  |   |
|---|---|--|---|
| GRI Standard  | Disclosure  | Page number (s) and/ or URL (s)                        | Omissions   |
| <b>GRI 205: Anti-corruption 2016</b>                                  | 205-1 Operations assessed for risks related to corruption   | 144-145  |   |
|   | 205-2 Communication and training on anti-corruption policies and procedures   | 196  |   |
|   | 205-3 Confirmed incidents of corruption and actions taken   | No cases of confirmed corruption were detected in 2021 |   |
| <b>GRI 206: Anti-unfair competition 2016</b>                          | 206-1 Legal actions relating to anti-competitive behaviour, anti-trust and monopoly practices   | 4 cases of ongoing lawsuits                            |   |
| <b>Occupational health &amp; safety for employees and contractors</b> |   |  |   |
| <b>GRI 103: 2016 management approach</b>                              | 103-1 Explanation of the material topic and its boundary  | 204; 131-139   |   |
|   | 103-2 Management approach and components  | 204; 131-139   |   |
|   | 103-3 Evaluation of the management approach   | 131-139  |   |
| <b>GRI 403: Occupational Health and Safety 2018</b>                   | 403-1 Occupational Health and Safety Management System  | 131-132  |   |
|   | 403-2 Hazard identification, risk assessment and incident investigation   | 132-133  |   |
|   | 403-3 Occupational health services  | 131-134  |   |
|   | 403-4 Workers' participation, consultation and communication of occupational health and safety  | 129  |   |
|   | 403-5 Occupational Health and Safety training   | 135  |   |
|   | 403-6 Promotion of worker health  | 134  |   |
|   | 403-7 Prevention and mitigation impact on the health and safety of workers directly linked by business relationships                              | 138  |   |
|   | 403-8 Workers covered by an occupational health and safety management system  | 132  |   |
|   | 403-9 Work-related injuries   | 138-139; 220-221                                       |   |
|   | 403-10 Occupational illnesses   | 138-139; 220-221                                       |   |
| <b>Sector Disclosure: Construction and Real Estate</b>                | CRE6 Percentage of the organisation that operates in accordance with internationally recognised and verified health and safety management systems | 132  |   |
| <b>Climate change: transition to a low-carbon business model</b>      |   |  |   |
| <b>GRI 103: 2016 management approach</b>                              | 103-1 Explanation of the material topic and its boundary  | 204;96-103   |   |
|   | 103-2 Management approach and components  | 204;96-103   |   |
|   | 103-3 Evaluation of the management approach   | 96-103   |   |
| <b>GRI 305: Emissions 2016</b>  | 305-1 Direct (scope 1) GHG emissions  | 101  |   |
|   | 305-2 Energy indirect (scope 2) GHG emissions   | 101  |   |
|   | 305-3 Other indirect (scope 3) GHG emissions  | 101  |   |
|   | 305-4 GHG emissions intensity   | 101  |   |
|   | 305-5 Reduction of GHG emissions  | 101;103  |   |
|   | 305-6 Emissions of ozone-depleting substances (ODS)   | 219  |   |
|   | 305-7 Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant air emissions   | 219  |   |
| <b>Sector Disclosure: Construction and Real Estate</b>                | CRE3 Greenhouse gas emissions intensity from buildings.   | Complete information on this content is not available  | Only partial information on this content is collected on Page 101 |
|   | CRE4 Greenhouse gas emission intensity from new construction and restoration activities   | 101  |   |
| <b>Risk and opportunity management</b>                                |   |  |   |
| <b>GRI 103: 2016 management approach</b>                              | 103-1 Explanation of the material topic and its boundary  | 211;44-47  |   |
|   | 103-2 Management approach and components  | 211;44-47  |   |
|   | 103-3 Evaluation of the management approach   | 44-47  |   |
| <b>Good Corporate Governance</b>                                      |   |  |   |
| <b>GRI 103: 2016 management approach</b>                              | 103-1 Explanation of the material topic and its boundary  | 210; 192-195;234                                       |   |
|   | 103-2 Management approach and components  | 210; 192-195;234                                       |   |
|   | 103-3 Evaluation of the management approach   | 192-195;234  |   |

| GRI content index   |   |   |   |
|---|---|---|---|
| GRI Standard  | Disclosure  | Page number (s) and/ or URL (s)                       | Omissions   |
| <b>Sustainability strategy and governance</b>                         |   |   |   |
| <b>GRI 103: 2016 management approach</b>                              | 103-1 Explanation of the material topic and its boundary  | 210; 35-36; 188-189;192-193                           |   |
|   | 103-2 Management approach and components  | 210; 35-36; 188-189;192-193                           |   |
|   | 103-3 Evaluation of the management approach   | 35-36; 188-189;192-193                                |   |
| <b>Environmental management and biodiversity protection</b>           |   |   |   |
| <b>GRI 103: 2016 management approach</b>                              | 103-1 Explanation of the material topic and its boundary  | 203; 96; 116-118                                      |   |
|   | 103-2 Management approach and components  | 203; 96; 116-118                                      |   |
|   | 103-3 Evaluation of the management approach   | 96; 116-118   |   |
| <b>GRI 307: Environmental compliance 2016</b>                         | 307-1 Failure to comply with environmental laws and regulations   | 117   |   |
| <b>GRI 304: Biodiversity</b>  | 304-1 Operations sites owned, leased or managed located within or adjacent to protected areas or areas of high biodiversity value outside protected areas | 116   |   |
|   | 304-2 Significant impacts of activities, products, and services on biodiversity   | 116   |   |
|   | 304-3 Protected or restored habitats  | 116   |   |
|   | 304-4 Species on the IUCN Red List and on national conservation lists whose habitats are in areas affected by operations                                  | Complete information on this content is not available | Only partial information on this content iscollected on Page 116  |
| <b>Sector Disclosure: Construction and Real Estate</b>                | CRE5 Soils remediated and in need of remediation for existing or expected land uses, according to applicable legal requirements                           | Complete information on this content is not available | Only partial information on this content is collected on Page 116 |
| <b>Equality, diversity and non-discrimination</b>                     |   |   |   |
| <b>GRI 103: 2016 management approach</b>                              | 103-1 Explanation of the material topic and its boundary  | 208;120-121; 125-129                                  |   |
|   | 103-2 Management approach and components  | 208;120-121; 125-129                                  |   |
|   | 103-3 Evaluation of the management approach   | 120-121; 125-129                                      |   |
| <b>GRI 405: Diversity and Equal Opportunity 2016</b>                  | 405-1 Diversity in governing bodies and employees   | 120-121; 125-129                                      |   |
|   | 405-2 Ratio of basic salary and remuneration of women vs. men   | 129   |   |
| <b>GRI 406: Non-discrimination 2016</b>                               | 406-1 Cases of discrimination and corrective actions taken  | 147   |   |
| <b>Respect for Human Rights</b>                                       |   |   |   |
| <b>GRI 103: 2016 management approach</b>                              | 103-1 Explanation of the material topic and its boundary  | 206; 145-146  |   |
|   | 103-2 Management approach and components  | 206; 145-146  |   |
|   | 103-3 Evaluation of the management approach   | 145-146   |   |
| <b>GRI 412: Human rights assessment 2016</b>                          | 412-1 Operations that have been subject to human rights reviews or impact assessments   | 146   |   |
|   | 412-2 Training employees on human rights policies or procedures   | 148   |   |
|   | 412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening                          | 145-146   |   |
| <b>GRI 407: Freedom of association and collective bargaining 2016</b> | 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk                                      | 145-146; 162-163                                      |   |
| <b>GRI 409: Forced or compulsory labour 2016</b>                      | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour   | 145-146; 162-163                                      |   |
| <b>Quality employment and fair remuneration</b>                       |   |   |   |
| <b>GRI 103: 2016 management approach</b>                              | 103-1 Explanation of the material topic and its boundary  | 209; 125-129  |   |
|   | 103-2 Management approach and components  | 209; 125-129  |   |
|   | 103-3 Evaluation of the management approach   | 125-129   |   |

| GRI content index  |   |   |   |
|--|---|---|---|
| GRI Standard   | Disclosure  | Page number (s) and/ or URL (s)   | Omissions   |
| GRI 401: Employment 2016   | 401-1 New employee hires and employee turnover  | 120-121   |   |
|  | 401-2 Benefits for full-time employees that are not provided to part-time or temporary employees                                      | Companies representing 76.77% of ACS Group employees state that they have social benefits for full-time employees which are not offered to temporary or part-time employees, mainly related to insurance. |   |
|  | 401-3 Parental leave  | 129   |   |
| <b>Transparency and dialogue with stakeholders</b>                               |   |   |   |
| GRI 103: 2016 management approach  | 103-1 Explanation of the material topic and its boundary  | 212; 150-151  |   |
|  | 103-2 Management approach and components  | 212; 150-151  |   |
|  | 103-3 Evaluation of the management approach   | 150-151   |   |
| <b>Financial solvency and generation of value for shareholders and investors</b> |   |   |   |
| GRI 103: 2016 management approach  | 103-1 Explanation of the material topic and its boundary  | 211; 37-39;42-43; 71-87   |   |
|  | 103-2 Management approach and components  | 211; 37-39;42-43; 71-87   |   |
|  | 103-3 Evaluation of the management approach   | 37-39;42-43; 71-87  |   |
| <b>Sustainable &amp; resilient infrastructures</b>                               |   |   |   |
| GRI 103: 2016 management approach  | 103-1 Explanation of the material topic and its boundary  | 206;104-106   |   |
|  | 103-2 Management approach and components  | 206;104-106   |   |
|  | 103-3 Evaluation of the management approach   | 104-106   |   |
| GRI 302: Energy 2016   | 302-1 Energy consumption within the organisation  | 107-108   |   |
|  | 302-2 Energy consumption outside the organisation   | 107-108   |   |
|  | 302-3 Energy intensity  | 107-108   |   |
|  | 302-4 Reduction in energy consumption   | 107-108   |   |
|  | 302-5 Reduction in energy requirements for products and services  | 104-106   |   |
| Sector Disclosure: Construction and Real Estate                                  | CRE1 Building energy intensity  | 102-31 Review of economic, environmental and social topics  | Economic topics at least quarterly. Environmental and social topics, at least annually. |
|  | CRE8 Type and number of sustainability certifications, ratings or labels for new construction, management, occupancy, or retrofitting | 104-106   |   |
| <b>Sustainable investment and financing</b>                                      |   |   |   |
| GRI 103: 2016 management approach  | 103-1 Explanation of the material topic and its boundary  | 207; 176-179  |   |
|  | 103-2 Management approach and components  | 207; 176-179  |   |
|  | 103-3 Evaluation of the management approach   | 176-179   |   |
| <b>Customer focus and quality</b>  |   |   |   |
| GRI 103: 2016 management approach  | 103-1 Explanation of the material topic and its boundary  | 209; 165 -167   |   |
|  | 103-2 Management approach and components  | 209; 165 -167   |   |
|  | 103-3 Evaluation of the management approach   | 165 -167  |   |
| <b>Talent attraction &amp; professional development</b>                          |   |   |   |
| GRI 103: 2016 management approach  | 103-1 Explanation of the material topic and its boundary  | 203; 122-125  |   |
|  | 103-2 Management approach and components  | 203; 122-125  |   |
|  | 103-3 Evaluation of the management approach   | 122-125   |   |
| GRI 404: Training and education 2016   | 404-1 Average hours of training per year per employee   | 124   |   |
|  | 404-2 Programmes for upgrading employee skills and transition assistance programmes   | 122-125   |   |
|  | 404-3 Percentage of employees receiving regular performance and career development reviews  | 123   |   |

| GRI content index  |  |   |   |
|--|--|---|---|
| GRI Standard   | Disclosure   | Page number (s) and/ or URL (s)                       | Omissions   |
| <b>Local development and community impact</b>                              |  |   |   |
| <b>GRI 103: 2016 management approach</b>                                   | 103-1 Explanation of the material topic and its boundary   | 202; 153-159  |   |
|  | 103-2 Management approach and components   | 202; 153-159  |   |
|  | 103-3 Evaluation of the management approach  | 153-159   |   |
| <b>GRI 413: Local communities 2016</b>                                     | 413-1 Operations with local community engagement, impact assessments, and development programmes     | 23.86%  |   |
|  | 413-2 Operations with significant potential impacts or actual negative impacts on local communities  | 0.00%   |   |
| <b>Sector Disclosure: Construction and Real Estate</b>                     | CRE7 Number of persons voluntarily or unintentionally displaced or resettled, broken down by project | Not available   |   |
| <b>Responsible supply chain management</b>                                 |  |   |   |
| <b>GRI 103: 2016 management approach</b>                                   | 103-1 Explanation of the material topic and its boundary   | 205; 160-164  |   |
|  | 103-2 Management approach and components   | 205; 160-164  |   |
|  | 103-3 Evaluation of the management approach  | 160-164   |   |
| <b>GRI 204: Procurement practices 2016</b>                                 | 204-1 Proportion of spending on local suppliers  | 161   |   |
| <b>GRI 308: Supplier environmental assessment 2016</b>                     | 308-1 New suppliers that were screened using environmental criteria                                  | 162-163   |   |
|  | 308-2 Negative environmental impacts in the supply chain and actions taken                           | 162-163   |   |
|  |  |   |   |
| <b>GRI 414: Supplier social assessment 2016</b>                            | 414-1 New suppliers that were screened using social criteria   | 162-163   |   |
|  | 414-2 Negative social impacts in the supply chain and actions taken                                  | 162-163   |   |
| <b>Circularity in construction materials sourcing and waste management</b> |  |   |   |
| <b>GRI 103: 2016 management approach</b>                                   | 103-1 Explanation of the material topic and its boundary   | 208; 108-113  |   |
|  | 103-2 Management approach and components   | 208; 108-113  |   |
|  | 103-3 Evaluation of the management approach  | 108-113   |   |
| <b>GRI 301: Materials 2016</b>   | 301-1 Materials used by weight or volume   | 110   |   |
|  | 301-2 Recycled inputs  | 219   |   |
|  | 301-3 Reused products and packaging materials  | 219   |   |
| <b>GRI 306: Waste 2020</b>   | 306-1 Waste generation and significant waste-related impacts   | 111-113   |   |
|  | 306-2 Management of significant waste-related impacts  | 111-113   |   |
|  | 306-3 Generated waste  | 111-112   |   |
|  | 306-4 Wastes not for disposal  | 112   |   |
|  | 306-5 Waste for disposal   | 112   |   |
| <b>Innovation &amp; Technology</b>   |  |   |   |
| <b>GRI 103: 2016 management approach</b>                                   | 103-1 Explanation of the material topic and its boundary   | 212; 171-175  |   |
|  | 103-2 Management approach and components   | 212; 171-175  |   |
|  | 103-3 Evaluation of the management approach  | 171-175   |   |
| <b>Water management</b>  |  |   |   |
| <b>GRI 303: Water and effluents 2018</b>                                   | 303-1 Interaction with water as a shared resource  | 114-115   |   |
|  | 303-2 Management of water discharge-related impacts  | 114-115   |   |
|  | 303-3 Water withdrawal   | 114   |   |
|  | 303-4 Water discharge  | 114   |   |
|  | 303-5 Water consumption  | 114   |   |
| <b>Sector Disclosure: Construction and Real Estate</b>                     | CRE2 Building water intensity  | Complete information on this content is not available | Only partial information on this content is collected. Page 114 |



## 7.3.2. ADDITIONAL INDICATORS

### ENVIRONMENT

| <b>(301-1 &amp; 301-2) Total materials used and percentage of materials recycled</b> | <b>2020</b> | <b>2021</b> |
|--|-------------|-------------|
| Total wood purchased (m3)  | 1,162,492   | 3,031,227   |
| Percentage of certified wood (1)   | 1.1%        | 2.6%        |
| Total steel purchased (t)  | 456,053     | 558,038     |
| Percentage of recycled steel (2)   | 46.7%       | 65.4%       |
| Total concrete purchased (m3)  | 4,555,262   | 4,659,934   |
| Percentage of cement/concrete with recycled aggregate                                | 11.5%       | 18.7%       |
| Total glass purchased (m2) (3)   | 83,400      | 114,247     |
| Percentage of glass recycled (4)   | 0.6%        | 0.5%        |

(1) Scope of data on procurement expenses of 69.51% in 2020 and 71.38% in 2021.

(2) Scope of data on procurement expenses of 33.09% in 2020 and 90.30% in 2021.

(3) Scope of data on procurement expenses of 33.09% in 2020 and 90.30% in 2021.

(4) Scope of data on procurement expenses of 90.40% in 2020 and 90.30% in 2021.

| <b>Other atmospheric emissions (kg)</b>  | <b>2020</b> | <b>2021</b> |
|--|-------------|-------------|
| Amount of significant atmospheric emissions, in kg of NOx.                                     | 1,304,784   | 1,138,067   |
| Amount of significant atmospheric emissions, in kg of SOx.                                     | 949         | 1,104       |
| Amount of significant atmospheric emissions, in kg of other significant atmospheric emissions. | 169,890     | 157,470     |

For the calculation of significant air emissions of NOx, SOx and other (NMVC), the fuel, electricity and kilometres travelled conversion factors of the European Environment Agency (EEA) published in 2019 were used as a reference.

| <b>(302-1) Energy consumption by source</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2020 Reexp.</b> | <b>2021</b> |
|---|-------------|-------------|-------------|--------------------|-------------|
| <b>Total ACS Group</b>                      |             |             |             |                    |             |
| Petrol + Diesel (million liters)            | 1,138       | 1,189       | 1,064       | 134                | 117         |
| Liquefied Petroleum Gas (million liters)    | 0           | 1.17        | 3           | 3                  | 3           |
| Natural Gas (kWh)                           | 37,983,207  | 40,653,763  | 32,351,560  | 36,249,837         | 123,816,395 |
| Biofuel (million liters)                    | 0.1         | 0.7         | 0.4         | 0.0                | 0.0         |
| Electricity (MWh)                           | 516,211     | 574,170     | 429,921     | 226,505            | 247,927     |
| Electricity from renewable sources (MWh)    | 23,771      | 63,323      | 64,246      | 51,651             | 69,506      |

| <b>(302-1) Energy consumption by source</b> | <b>2020 Rest.</b> | <b>2021</b> |
|---|-------------------|-------------|
| <b>Construcción +Concesiones</b>            |                   |             |
| Petrol + Diesel (million liters)            | 20                | 20          |
| Liquefied Petroleum Gas (million liters)    | 3                 | 1.87        |
| Natural Gas (kWh)                           | 4,113,522         | 90,758,505  |
| Biofuel (million liters)                    | 0.0               | 0.0         |
| Electricity (MWh)                           | 178,894           | 211,025     |
| Electricity from renewable sources (MWh)    | 24,334            | 38,996      |
| <b>Concesiones</b>                          |                   |             |
| Petrol + Diesel (million liters)            | 0                 | 0           |
| Liquefied Petroleum Gas (million liters)    | 1                 | 0.54        |
| Natural Gas (kWh)*                          | 195,047           | 314,637     |
| Biofuel (million liters)                    | 0.0               | 0.0         |
| Electricity (MWh)                           | 423               | 517         |
| Electricity from renewable sources (MWh)    | 119               | 160         |
| <b>Services</b>                             |                   |             |
| Petrol + Diesel (million liters)            | 0                 | 0           |
| Liquefied Petroleum Gas (million liters)    | 0                 | 0.42        |
| Natural Gas (kWh)                           | 31,941,269        | 32,743,253  |
| Biofuel (million liters)                    | 0.0               | 0.0         |
| Electricity (MWh)                           | 47,188            | 36,385      |
| Electricity from renewable sources (MWh)    | 27,198            | 30,351      |

## HEALTH AND SAFETY

|   | 2018        | 2019        | 2020 Reexp.* | 2021        |
|---|-------------|-------------|--------------|-------------|
| Total number of hours worked                                  | 374,536,406 | 404,419,164 | 239,578,918  | 241,809,479 |
| Total number of hours worked (Men)                            | 252,561,561 | 262,081,851 | 119,640,539  | 117,186,115 |
| Total number of hours worked (Women)                          | 121,974,819 | 142,337,312 | 119,938,379  | 124,623,363 |
| Total number of accidents with time off from work             | 4,166       | 4,232       | 2,746        | 3,299       |
| Total number of accidents with time off from work (Men)       | 1,495       | 1,443       | 750          | 856         |
| Total number of accidents with time off from work (Women)     | 2,671       | 2,846       | 1,995        | 2,443       |
| Fatal accidents for own employees                             | 4           | 4           | 4            | 2           |
| Fatal accidents for own employees (Men)                       | 4           | 4           | 4            | 2           |
| Fatal accidents for own employees (Women)                     | 0           | 0           | 0            | 0           |
| Fatal accidents for contractor employees                      | 7           | 4           | 2            | 5           |
| Total number of occupational disease cases (employees)        | 104         | 150         | 70           | 66          |
| Total number of occupational disease cases (Male employees)   | 74          | 107         | 39           | 29          |
| Total number of occupational disease cases (Female employees) | 30          | 44          | 31           | 37          |
| Frequency Index of Occupational Disease (employees)           | 0.278       | 0.371       | 0.292        | 0.273       |
| Frequency Index of Occupational Disease (Male employees)      | 0.293       | 0.408       | 0.325        | 0.247       |
| Frequency Index of Occupational Disease (Female employees)    | 0.246       | 0.309       | 0.260        | 0.297       |
| Total number of occupational disease cases (contractors)      | 6           | 1           | 0            | 0           |
| Frequency Index of Occupational Disease (contractors)         | 0.036       | 0.005       | 0.000        | 0.000       |
| Percentage of days lost due to absenteeism                    | 1.3%        | 1.3%        | 1.2%         | 1.2%        |

| (403-4) HEALTH AND SAFETY INDICATORS  | 2020    | 2021    |
|---|---------|---------|
| <b>Total ACS Group</b>  |         |         |
| Percentage of workers represented on formal joint health and safety committees for management and employees | 100.00% | 100.00% |
| Health and safety issues covered in formal agreements with trade unions                                     | 96.93%  | 97.14%  |
| <b>Construction</b>   |         |         |
| Percentage of workers represented on formal joint health and safety committees for management and employees | 100.00% | 100.00% |
| Health and safety issues covered in formal agreements with trade unions                                     | 92.68%  | 93.09%  |
| <b>Concessions</b>  |         |         |
| Percentage of workers represented on formal joint health and safety committees for management and employees | 100.00% | 100.00% |
| Health and safety issues covered in formal agreements with trade unions                                     | 100.00% | 100.00% |
| <b>Services</b>   |         |         |
| Percentage of workers represented on formal joint health and safety committees for management and employees | 100.00% | 100.00% |
| Health and safety issues covered in formal agreements with trade unions                                     | 100.00% | 100.00% |

| (403-9) WORK-RELATED INJURIES. EMPLOYEES                               | 2020  | 2021  |
|--|-------|-------|
| <b>Number of deaths resulting from work-related injuries</b>           | 4     | 2     |
| Construction   | 4     | 2     |
| Concessions  | 0     | 0     |
| Services   | 0     | 0     |
| <b>Death rate resulting from work-related injuries (1)</b>             | 0.02  | 0.01  |
| Construction   | 0.04  | 0.02  |
| Concessions  | 0.00  | 0.00  |
| Services   | 0.00  | 0.00  |
| <b>Number of work-related injuries with significant consequences</b>   | 9     | 5     |
| Construction   | 3     | 1     |
| Concessions  | 0     | 0     |
| Services   | 6     | 4     |
| <b>Rate of work-related injuries with significant consequences (2)</b> | 0.04  | 0.02  |
| Construction   | 0.03  | 0.01  |
| Concessions  | 0.00  | 0.00  |
| Services   | 0.05  | 0.03  |
| <b>Number of recordable work-related injuries</b>                      | 5,937 | 6,711 |
| Construction   | 482   | 526   |
| Concessions  | 0     | 2     |
| Services   | 5,455 | 6,183 |
| <b>Rate of recordable work-related injuries (3)</b>                    | 4.96  | 5.55  |
| Construction   | 0.84  | 0.94  |
| Concessions  | 0.00  | 0.73  |
| Services   | 8.73  | 9.56  |

| (403-9) WORK-RELATED INJURIES CONTRACTORS                              | 2020 | 2021 |
|--|------|------|
| <b>Number of deaths resulting from work-related injuries</b>           | 2    | 5    |
| Construction   | 2    | 5    |
| Concessions  | 0    | 0    |
| Services   | 0    | 0    |
| <b>Death rate resulting from work-related injuries (1)</b>             | 0.01 | 0.04 |
| Construction   | 0.01 | 0.04 |
| Concessions  | 0.00 | 0.00 |
| Services   | n.a. | n.a. |
| <b>Number of work-related injuries with significant consequences</b>   | 9    | 8    |
| Construction   | 9    | 8    |
| Concessions  | 0    | 0    |
| Services   | 0    | 0    |
| <b>Rate of work-related injuries with significant consequences (2)</b> | 0.06 | 0.06 |
| Construction   | 0.06 | 0.06 |
| Concessions  | 0.00 | 0.00 |
| Services   | n.a. | n.a. |
| <b>Number of recordable work-related injuries</b>                      | 962  | 980  |
| Construction   | 958  | 978  |
| Concessions  | 4    | 2    |
| Services   | 0    | 0    |
| <b>Rate of recordable work-related injuries (3)</b>                    | 1.38 | 1.46 |
| Construction   | 1.37 | 1.46 |
| Concessions  | 2.57 | 1.54 |
| Services   | n.a. | n.a. |

(1) Number of deaths resulting work-related accidents per million hours worked.

(2) Number of work-related injuries with significant consequences per million hours worked.

(3) Number of recordable work-related injuries per two hundred thousand hours worked.

### 7.3.3. MONITORING OF PRIORITY TARGETS IN THE SUSTAINABILITY MASTER PLAN 2025

| MONITORING OF PRIORITY GOALS SUSTAINABILITY MASTER PLAN 2025 |   |  |         |         |                  |  |
|--|---|--|---------|---------|------------------|--|
| Priority Goal  | Tracking Indicator  | Comparable Evolution (1)   |         |         | Related Contents |  |
|  |   | Reference value (2)  | 2020    | 2021    |                  |  |
| 1  | Reduction of Scope 1 emissions by 35% by 2030, with an intermediate reduction target of at least 15% by 2025  | Scope 1 emissions  | 487,739 | 352,891 | 323,889          | 5.1.1. Fight against climate change  |
| 2  | Reduction of Scope 2 emissions by 60% by 2030, with an intermediate reduction target of at least 30% by 2025  | Scope 2 Emissions  | 169,856 | 92,466  | 103,637          | 5.1.1. Fight against climate change  |
| 3  | Maintain an 80% rate of waste (hazardous and non-hazardous) destined for reuse/recycling  | Waste for reuse and recycling rate   | 77.7%   | 84.5%   | 82.6%            | 5.1.2. Circular economy: sustainable use of resources and waste management                     |
| 4  | Progressive minimization of non-hazardous waste destined for landfills  | Non-hazardous waste for landfill   | 21.2%   | 13.1%   | 14.9%            | 5.1.2. Circular economy: sustainable use of resources and waste management                     |
| 5  | Reach 45% of Infrastructure sales in projects with sustainable certification by 2025 (2)  | % Construction sales in projects with sustainable certification  | 34.4%   | 34.4%   | 41.3%            | 5.1.1. Fight against climate change  |
| 6  | Increase the number of operations subject to environmental management systems certified under ISO 14001   | Operations subject to environmental management systems certified to ISO 14001 standard                                 | 87.3%   | 86.2%   | 87.3%            | 5.1. Environment   |
| 7  | Extending the certification of H&S management systems by exceeding 97% of employees subject to certified safety and health management systems by 2025               | Percentage of total employees covered by OSHAS18001 or ISO 45001   | 90.6%   | 90.8%   | 91.8%            | 5.3. Occupational Health & Safety  |
| 8  | Decrease own employee frequency rate by 15% compared to 2019  | Own employees frequency rate   | 13.8    | 11.5    | 13.6             | 5.3.2. Safety Statistics   |
| 9  | Increase by 25% the presence of women in senior management positions compared to 2019 and that the total number of women in senior positions represents 20% by 2025 | Women in senior management positions   | 93      | 106     | 113              | 5.2.2. Equal opportunities, diversity and inclusion  |
|  |   | % Women in management positions  | 18.0%   | 20.0%   | 20.2%            |  |
| 10   | Increase by 7% the number of employees belonging to vulnerable groups with respect to 2020 (2)  | Employees belonging to vulnerable groups   | 9,819   | 9,819   | 10,320           | 5.2.2. Equal opportunities, diversity and inclusion  |
| 11   | Promote community investment by progressively increasing funds for social action and improve impact monitoring and measurement                                      | Funds for social action (€ mn)   | 12.1    | 16.0    | 11.7             | 5.6. Contribution to Society   |
| 12   | Strengthening sustainability governance   | Actions carried out to adapt the Group's governance structure to the increased requirements in terms of sustainability | n.a.    | n.a.    | n.a.             | 5.1.1. Fight against climate change<br>5.4. Regulatory Compliance<br>6.0. Corporate Governance |
| 13   | 100% of employees with responsibility for compliance trained through compliance programs by 2025  | Employees trained in compliance in the reporting year  | 62,397  | 39,213  | 45,909           | 5.4.8. Training  |
| 14   | Evaluate 100% of own operations on Human Rights by 2025   | Operations evaluated in the area of Human Rights   | n.a.    | n.a.    | 79.0%            | 5.4.4. Human Rights  |
|  |   | % Eligible sales   | n.a.    | n.a.    | 86.3%            |  |
|  |   | % Eligible Opex  | n.a.    | n.a.    | 82.8%            |  |
| 15   | Quantify the volume of sustainable assets in the ACS portfolio aligned with the EU Environmental Taxonomy   | % Eligible Capex   | n.a.    | n.a.    | 77.8%            | 5.11. European Union taxonomy  |
|  |   |  |         |         |                  |  |
| 16   | 75% of suppliers trained in the Business Partner Code of Conduct by 2025  | % Suppliers that have received Code of Conduct training throughout their contractual relationship                      | n.a.    | n.a.    | 8.8%             | 5.8. Suppliers   |
| 17   | Evaluate 100% of critical direct suppliers in terms of sustainability during the Plan period  | % Critical direct suppliers evaluated in the last 3 years  | n.a.    | n.a.    | 97.0%            | 5.8. Suppliers   |

(1) For the sake of data comparability, where possible, historical data are recalculated with the same scope of consolidation perimeter and calculation criteria as those reported in 2021.

(2) The reference value refers as a general rule to the restated 2019 data excluding Industrial Services and the sale of the 50% stake of Thies in those which is material, except in objective 5 which is put as reference value the year 2020 for not having restated data for 2019 and objective 10 of vulnerable groups which in the objective is taken as reference value the 2020 data. The reference value has been restated considering the same scope of consolidation perimeter and calculation criteria as those reported in the last reporting year.

### 7.3.4. CONTRIBUTION TO THE ACHIEVEMENT OF THE SUSTAINABLE DEVELOPMENT GOALS

The ACS Group, through the development of its activity focused on the development of transportation and energy infrastructure, as well as the social dimension offered through the Services activity, makes a conscientious effort to accomplish the commitments in the 2030 Agenda for Sustainable Development. In this regard, the Group measures its performance in terms of its contribution to the Sustainable Development Goals (SDGs) that are most

closely related to its activity. This contribution is also reinforced by its dimension and its international presence.

Following the approval of the new 2025 Sustainability Master Plan, the ACS Group has determined that it contributes substantially to the achievement of 6 Sustainable Development Goals linked to the Group's activity, through the commitments established and strategic lines.

GOAL  
8



PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL.

#### SPECIFIC TARGETS TO WHICH THE ACS GROUP CONTRIBUTES

- 8.2 Achieve higher levels of economic productivity through diversification, technological modernisation and innovation.
- 8.4 Gradually improve the efficient production and consumption of global resources by 2030 and seek to disconnect economic growth from environmental degradation.
- 8.5 Achieve full, productive and decent employment for all, as well as equal remuneration.
- 8.6 Reduce the proportion of young people who are not in education, employment, or training.
- 8.8 Protect labour rights and promote a safe and safe working environment for all workers.

#### RELATED COMMITMENTS OF THE 2025 SUSTAINABILITY MANAGEMENT PLAN

- Prioritising occupational health and safety in employees and contractors
- Driver of economic and social development at the service of the local community
- Leading group in the development of specialised and diverse talent

#### CONTRIBUTION BY THE ACS GROUP

As a global company, the ACS Group participates in the development of key sectors for the global economy and provides jobs to a large number of people. Furthermore, the Group understands the important role that having local roots and being sensitive to the unique features of each site has in the company's success. The Group companies have commitments to remain in most of the regions where they operate, actively contributing to the economic and social development of these settings, recruiting a high percentage of local workers and suppliers. The Group is committed to the professional development of its employees and is a strong advocate of internationally recognised human and labour rights. The company also encourages, respects and protects the freedom to participate in trade unions and the right of association of its workers. In the ACS Group, occupational health and safety are also a priority objective in the development of all Group activities.

#### MANAGEMENT AND MONITORING INDICATORS

- Number of employees: 122.502
- % of employees with permanent contracts: 72.3%
- % of local employees: 97.4%
- % of local suppliers: 83.4%
- New hires during the year: 39.480
- % of contracts <35 years: 40.7%
- Number of employees trained during the year: 56.263
- % of employees covered by occupational management and safety systems: 91.8%

GOAL  
9



BUILDING RESILIENT INFRASTRUCTURE, PROMOTING INCLUSIVE AND SUSTAINABLE INDUSTRIALISATION AND FOSTERING INNOVATION

#### SPECIFIC TARGETS TO WHICH THE ACS GROUP CONTRIBUTES

- 9.1 Develop reliable, sustainable, resilient and quality infrastructure to support economic development and human well-being.
- 9.4 Modernise infrastructure and reconvert industries to be sustainable, using resources more effectively and promoting the implementation of clean and environmentally sound technologies and industrial processes.
- 9.a Facilitate the development of sustainable and resilient infrastructure in developing countries through increased financial, technological and technical support.

#### RELATED SUSTAINABILITY MANAGEMENT PLAN 2025 COMMITMENTS

- Being leaders in sustainable infrastructure

#### CONTRIBUTION BY THE ACS GROUP

Through its infrastructure and industry development activity, the ACS Group significantly contributes to the economic progress of societies and people's well-being. The ACS Group also made a determined commitment to be a leader in sustainable infrastructure. The Group increasingly invests in R&D+i, using resources more effectively and promoting the adoption of sustainable industrial technologies and processes.

#### MANAGEMENT AND MONITORING INDICATORS

- Sales in projects with sustainable certifications: EUR 10,688 million
- Investment in R&D+i: EUR 38.7million

GOAL  
**10**



REDUCE INEQUALITY WITHIN AND AMONG COUNTRIES

**SPECIFIC TARGETS TO WHICH THE ACS GROUP CONTRIBUTES**

- 10.2 Promote the social, economic and political inclusion of all people.
- 10.3 Ensure equal opportunities and reduce inequality of results.

**RELATED SUSTAINABILITY MANAGEMENT PLAN 2025 COMMITMENTS**

- Leading group in the development of specialised and diverse talent
- Driver of economic and social development at the service of the local community

**CONTRIBUTION BY THE ACS GROUP**

Through its infrastructure construction activities in underdeveloped countries, the ACS Group contributes to the reduction of inequalities among countries by generating a favorable economic and social environment for their development.

In addition, Clece, the ACS company dedicated to personal services, among others, has a strong social focus and a vocation of inclusion and integration of people, fostering the reduction of inequalities. In addition to serving vulnerable communities, it also integrates people from these groups into its workforce.

On the other hand, the Social Action activities carried out by the Group companies and the ACS Foundation are mainly aimed at reducing inequality.

**MANAGEMENT AND MONITORING INDICATORS**

- Employees belonging to vulnerable groups 10,320
- Investment in Social Action: EUR 11.7 million

GOAL  
**11**



MAKING CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE

**SPECIFIC TARGETS TO WHICH THE ACS GROUP CONTRIBUTES**

- 11.2 Provide access to safe, affordable, accessible and sustainable transport systems for all and improve road safety.
- 11.3 Between now and 2030, increased inclusive and sustainable urban development.

**RELATED SUSTAINABILITY MANAGEMENT PLAN 2025 COMMITMENTS**

- Being leaders in sustainable infrastructure

**CONTRIBUTION BY THE ACS GROUP**

The ACS Group, through its various activities, provides services which contribute to creating more efficient and sustainable cities. Among these services, it is worth highlighting sustainable building, the construction of public transport systems, traffic management services, etc.

In addition, the Group contributes to R&D projects for the development of more efficient and resilient materials and more sustainable cities.

**MANAGEMENT AND MONITORING INDICATORS**

- Sales in projects with sustainable certifications: EUR 10,688 million
- R & D projects related to sustainability: 28



GOAL  
12



ENSURING SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

SPECIFIC TARGETS TO WHICH THE ACS GROUP CONTRIBUTES

12.2 By 2030, achieving sustainable management and efficient use of natural resources.

12.5 Between now and 2030, significantly reduce waste generation through prevention, reduction, recycling and reuse activities

RELATED SUSTAINABILITY MANAGEMENT PLAN 2025 COMMITMENTS

- Integrate circularity in our activities
- Ensure responsible management of the supply chain in line with commitments and action standards

CONTRIBUTION BY THE ACS GROUP

The ACS Group promotes responsible management of its entire supply chain and implements measures for the efficient use of natural resources in all its projects. From the design phase to execution, the use of sustainable materials is encouraged, water and energy consumption is rationalised and waste is properly managed, promoting its prevention and minimisation, with the goal of maintaining an 80% percentage of waste to be reused and recycled.

Moreover, the ACS Group promotes the assessment of its suppliers in terms of sustainability, with the aim of reaching 100% of its suppliers assessed by 2025.

MANAGEMENT AND MONITORING INDICATORS

- % of waste destined for Reuse and recycling: 83.8%
- % of suppliers assessed over the last 3 years in terms of sustainability: 71.9%

GOAL  
13



TAKING URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS EFFECTS

SPECIFIC TARGETS TO WHICH THE ACS GROUP CONTRIBUTES

13.1 Strengthen resilience to climate-related risks.

13.3 Improve awareness of climate change mitigation and adaptation

RELATED SUSTAINABILITY MANAGEMENT PLAN 2025 COMMITMENTS

- Move climate neutrality forward to 2045
- Sustainability in the governance model

CONTRIBUTION BY THE ACS GROUP

The ACS Group strives to contribute to the transition to a low-carbon economy by including measures to adapt to and mitigate climate change in its activities, as well as identifying opportunities for the promotion of environmentally friendly products and services that minimise its impact. The ACS Group has undertaken to move forward its climate neutrality to 2045, as well as to improve the measurement of its footprint and reduce it in the short and medium term.

MANAGEMENT AND MONITORING INDICATORS

- Variation in Scope 1 emissions (vs. 2020): -8.2%
- Variation in Scope 2 emissions (vs. 2020): +12.1%
- kWh of renewable energy consumed: 69,506,084



### 7.3.5. SCOPE OF THE DATA

[102-46]

#### ENVIRONMENT

| % of turnover  | 2020   | 2021   |
|--|--------|--------|
| Implementation of ISO 14001 certification                                      | 96.13% | 96.37% |
| Implementation of other certifications   | 96.13% | 96.37% |
| Projects registered and certified as per efficient construction certifications | 95.96% | 96.20% |

| % of turnover   | 2018   | 2019   | 2020   | 2021   |
|---|--------|--------|--------|--------|
| Petrol (million litres)   | 95.67% | 96.79% | 96.13% | 96.37% |
| Diesel (million litres)   | 95.67% | 96.79% | 96.13% | 96.37% |
| LPG (million litres)  | 95.67% | 96.79% | 96.13% | 96.37% |
| Natural gas (kWh)   | 95.67% | 96.79% | 96.13% | 96.37% |
| Biofuel (million litres)  | 95.67% | 96.79% | 96.13% | 96.37% |
| Electricity (MWh)   | 95.67% | 96.79% | 96.13% | 96.37% |
| Electricity from renewable sources (MWh)  | 95.67% | 96.79% | 96.13% | 96.37% |
| Business travel: total km travelled on short-haul flights (< 500 km)              | 95.67% | 96.79% | 96.13% | 96.37% |
| Business Travel total km travelled on medium-haul flights (500 km < X < 1,600 km) | 95.67% | 96.75% | 96.13% | 96.37% |
| Business travel total km travelled on short-haul flights (< 1,600 km)             | 95.67% | 96.79% | 96.13% | 96.37% |
| Business Travel Total km travelled in private vehicles for business purposes      | 95.67% | 96.79% | 96.13% | 96.37% |
| Business Travel Total km travelled by train                                       | 95.67% | 96.79% | 96.13% | 96.37% |
| Business Travel Total km travelled by boat  | 95.67% | 96.79% | 96.13% | 96.37% |
| Others (t CO2eq)  | 94.03% | 96.79% | 95.96% | 96.20% |
| <b>Efficient use of water resources</b>   |        |        |        |        |
| Water withdrawal (m3)   | 95.67% | 95.81% | 96.13% | 96.37% |
| Water withdrawal in water stress areas (m3)                                       | nd     | 95.81% | 96.13% | 96.37% |
| Water discharge (m3)  | nd     | 95.81% | 96.13% | 96.37% |
| Water discharge in water stress areas (m3)  | nd     | 95.81% | 96.13% | 96.37% |
| <b>Waste management</b>   |        |        |        |        |
| Non-hazardous waste generated (t)   | 95.67% | 96.75% | 96.13% | 96.37% |
| Hazardous waste generated (t)   | 95.67% | 96.79% | 96.13% | 96.37% |

| Other atmospheric emissions (kg)  | 2020   | 2021   |
|---|--------|--------|
| Quantity of significant atmospheric emissions, in kg of NOx                                       | 96.13% | 96.37% |
| Amount of significant atmospheric emissions, in kg of SOx.  | 96.13% | 96.37% |
| Quantity of significant atmospheric emissions, in kg, of other significant atmospheric emissions. | 96.13% | 96.37% |

| Materials (% of Group procurements)                   | 2020   | 2021   |
|---|--------|--------|
| Total wood purchased (m3)                             | 95.06% | 96.19% |
| Percentage of certified wood                          | 69.51% | 71.38% |
| Total steel purchased (t)                             | 95.06% | 96.19% |
| Percentage of recycled steel                          | 33.09% | 90.30% |
| Total concrete purchased (m3)                         | 95.06% | 96.19% |
| Percentage of cement/concrete with recycled aggregate | 33.09% | 90.30% |
| Total glass (m2)                                      | 90.40% | 90.30% |
| Percentage of recycled glass                          | 90.40% | 90.30% |



[102-46]

PEOPLE

| Total % of employees   | 2020    | 2021    |
|--|---------|---------|
| Total employees  | 100.00% | 100.00% |
| Local employees  | 98.55%  | 96.68%  |
| Employees by area of activity  | 100.00% | 100.00% |
| Personnel by professional category and area of activity  | 100.00% | 100.00% |
| Breakdown by type of contract  | 100.00% | 100.00% |
| Personnel by professional category and gender  | 100.00% | 100.00% |
| Personnel by geographical area   | 100.00% | 100.00% |
| Total staff turnover   | 98.55%  | 96.68%  |
| Total turnover for men   | 98.55%  | 96.68%  |
| Total turnover for women   | 98.55%  | 96.68%  |
| Voluntary turnover   | 98.55%  | 96.68%  |
| Voluntary turnover for men   | 98.55%  | 96.68%  |
| Total turnover for women   | 98.55%  | 96.68%  |
| Of the employees reported, number of women with a management position (construction/project manager or similar and superior) | 98.55%  | 96.68%  |
| Of the employees reported, number of men with a management position (construction/project manager or similar and superior)   | 98.55%  | 96.68%  |
| Of the employees reported, number of women management positions  | 98.55%  | 96.68%  |
| Of the employees reported, number of men management positions  | 98.55%  | 96.68%  |
| Remuneration Directors and Executive Management  | 100.00% | 100.00% |
| Average annual remuneration  | 98.55%  | 96.68%  |
| Measures to promote equal treatment and opportunities for men and women  | 98.55%  | 96.68%  |
| Protocols against sexual harassment  | 98.55%  | 96.68%  |
| Measures to ensure equal opportunities and avoid discrimination in the selection process for any position                    | 98.55%  | 96.68%  |
| Disabled persons   | 83.59%  | 82.99%  |
| Systems to ensure universal accessibility for employees  | 98.55%  | 96.68%  |
| Work-family life balance measures  | 98.55%  | 96.68%  |
| Percentage of men/women who return to work after paternity/maternity leave   | 98.55%  | 96.68%  |
| Total number of absenteeism days   | 98.55%  | 96.68%  |
| Employees affiliated with trade union organisations  | 79.22%  | 78.83%  |
| Employees covered by collective bargaining agreements or by an independent trade union                                       | 98.55%  | 96.68%  |
| Workers of the ACS Group represented on formal joint health and safety committees for management and employees               | 99.41%  | 99.40%  |
| Safety and Health issues covered by agreements   | 99.41%  | 99.40%  |
| Employees covered by a formal professional development system  | 98.55%  | 96.68%  |
| Employees subject to performance evaluation processes  | 98.55%  | 96.68%  |
| Employees covered by variable remuneration systems   | 98.55%  | 98.55%  |
| Employees trained  | 98.55%  | 96.68%  |
| Total teaching hours given   | 98.55%  | 96.68%  |
| Investment in training (millions of euros)   | 98.55%  | 96.68%  |
| Breakdown of hours by professional category  | 98.55%  | 96.68%  |

[102-46]

## HEALTH AND SAFETY

| % of employees  | 2018   | 2019   | 2020   | 2021   |
|---|--------|--------|--------|--------|
| Percentage of total employees covered by OSHAS 18001 and ISO45001 certification | 99.94% | 99.43% | 99.41% | 99.40% |
| Total number of hours worked (own employees)                                    | 99.94% | 99.43% | 99.41% | 99.40% |
| Total number of hours worked own employees (men)                                | 99.94% | 99.43% | 99.41% | 99.40% |
| Total number of hours worked own employees (women)                              | 99.94% | 99.43% | 99.41% | 99.40% |
| Total number of accidents with time off (own employees)                         | 99.94% | 99.43% | 99.41% | 99.40% |
| Total number of accidents with time off (men)                                   | 99.94% | 99.43% | 99.41% | 99.40% |
| Total number of accidents with time off (women)                                 | 99.94% | 99.43% | 99.41% | 99.40% |
| Total number of working days lost (own employees)                               | 99.94% | 99.43% | 99.41% | 99.40% |
| Total number of working days lost own employees (men)                           | 99.94% | 99.43% | 99.41% | 99.40% |
| Total number of working days lost own employees (women)                         | 99.94% | 99.43% | 99.41% | 99.40% |
| Total number of hours worked (contractors)                                      | 91.30% | 96.66% | 99.41% | 99.40% |
| Total number of accidents with time off (contractors)                           | 99.94% | 99.43% | 99.41% | 99.40% |
| Total number of working days lost (contractors)                                 | 91.30% | 96.66% | 99.41% | 99.40% |
| Own employee deaths due to work-related accidents                               | 99.94% | 99.43% | 99.41% | 99.40% |
| Own employee deaths due to work-related accidents (men)                         | 99.94% | 99.43% | 99.41% | 99.40% |
| Own employee deaths due to work-related accidents (WOMEN)                       | 99.94% | 99.43% | 99.41% | 99.40% |
| Contractor deaths due to work-related accidents                                 | 99.94% | 99.43% | 99.41% | 99.40% |
| Investment in health and safety (millions of euros)                             | 99.94% | 99.43% | 99.41% | 99.40% |
| Total number of cases of occupational diseases (employees)                      | 94.11% | 93.23% | 99.41% | 99.40% |
| Total number of cases of occupational diseases (male employees)                 | 94.11% | 93.23% | 99.41% | 99.40% |
| Total number of cases of occupational diseases (female employees)               | 94.11% | 93.23% | 99.41% | 99.40% |
| Total number of cases of occupational diseases (contractors)                    | 91.30% | 90.46% | 99.41% | 99.40% |
| Own employee deaths due to occupational illnesses                               | n.a.   | 72.76% | 99.41% | 99.40% |
| Contractor deaths due to occupational illnesses                                 | n.a.   | 72.76% | 86.49% | 86.49% |
| Number of work-related injuries with significant consequences (employees)       | n.a.   | 72.76% | 99.41% | 99.40% |
| Number of recordable work-related injuries (employees)                          | n.a.   | 99.43% | 99.41% | 99.40% |
| Number of work-related injuries with significant consequences (contractors)     | n.a.   | 72.76% | 99.41% | 99.40% |
| Number of work-related injuries (contractors)                                   | n.a.   | 90.46% | 99.41% | 99.40% |

| % of employees  | 2020   | 2021   |
|---|--------|--------|
| Employees who have received health and safety training during the year (%)                                    | 99.41% | 99.40% |
| Employees who have received health and safety training during their career with the company (%)               | 99.41% | 99.40% |
| Percentage of workforce represented on formal joint health and safety committees for management and employees | 99.41% | 99.40% |
| Health and safety issues covered in official agreements with trade unions                                     | 99.41% | 99.40% |

## COMPLIANCE

| % of employees   | 2020    | 2021    |
|--|---------|---------|
| Number of communications received and handled by the Ethics Channel  | 100.00% | 100.00% |
| Scope of the training plans regarding the company's human rights, ethics, integrity, conduct or compliance procedures (% of employees) | 99.26%  | 99.21%  |
| Number of courses given with content covering the company's human rights, ethics, integrity, conduct or compliance procedures          | 99.26%  | 99.21%  |
| Number of employees trained in Human rights, ethics, integrity, conduct or compliance procedures during the year                       | 99.26%  | 99.21%  |
| Training hours per trained employee  | 99.26%  | 99.21%  |
| Lawsuits for human rights violations   | 99.26%  | 99.21%  |
| Value of contributions to associations (scope % turnover)  | 22.19%  | 44.90%  |

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## GIVING BACK TO SOCIETY

| <b>% of turnover</b>   | <b>2020</b> | <b>2021</b> |
|--|-------------|-------------|
| Investment in social action by Group companies   | 99.97%      | 99.98%      |
| Estimated number of beneficiaries  | 22.65%      | 22.55%      |
| Number of citizen awareness courses or activities carried out                            | 22.65%      | 22.55%      |
| Number of events (conferences, exhibitions, sporting activities, among others) sponsored | 22.65%      | 99.98%      |
| Number of foundations or NGOs that received grants/support during the year               | 22.65%      | 22.55%      |
| Budget allocated by the Foundation   | 100.00%     | 100.00%     |

## SUPPLIERS AND CONTRACTORS

| <b>% of Group procurements</b>                                     | <b>2021</b> |
|--|-------------|
| Number of suppliers  | 96.19%      |
| Signing or acceptance of the Code of Conduct for Business Partners | 96.19%      |
| Training in the Code of Conduct for Business Partners              | 38.46%      |
| Supplier approval systems:   | 96.19%      |
| Weight of non-financial criteria                                   | 96.19%      |
| Supplier commitment standards                                      | 13.66%      |
| Suppliers identified as critical                                   | 96.19%      |
| Critical suppliers. % of total                                     | 96.19%      |
| Suppliers screened in terms of sustainability                      | 96.19%      |

## COMMITMENT TO QUALITY WITH THE CUSTOMER

| <b>% of turnover</b>   | <b>2020</b> | <b>2021</b> |
|--|-------------|-------------|
| Production certified under ISO 9001: Total ACS Group   | 93.11%      | 93.57%      |
| Number of quality audits   | 93.11%      | 93.57%      |
| Investment in measures to promote and improve quality  | 25.13%      | 27.22%      |
| System for measuring client satisfaction   | 98.65%      | 98.41%      |
| Number of client satisfaction surveys received   | 96.46%      | 97.87%      |
| Client responses which are "satisfied" or "very satisfied" out of the total number of surveys received (%) | 96.46%      | 97.87%      |
| System for measuring client complaints and claims  | 96.46%      | 97.87%      |
| Number of complaints and claims from clients received in the reporting period                              | 19.27%      | 21.07%      |
| Number of complaints and claims from clients resolved in the reporting period                              | 19.27%      | 21.07%      |

## INNOVATION

| <b>% of turnover</b>  | <b>2021</b> |
|---|-------------|
| Investment in research, development and innovation by the ACS Group   | 42.41%      |
| Number of innovation projects in progress in 2021 of the ACS Group    | 44.92%      |
| Number of patents registered by the ACS Group in 2021                 | 44.92%      |
| Number of patents registered by the ACS Group over the last ten years | 44.92%      |

### 7.3.6. AWARDS: SURVEYS AND ADHERENCE

- ACS, Actividades de Construcción y Servicios, was included in the European Dow Jones Sustainability Index. Inclusion in these DJSI indices recognises the commitment and ongoing effort made by all of the ACS Group companies in terms of sustainability and value generation shared by the whole company. HOCHTIEF and CIMIC, listed companies of the ACS Group, are also included in the DJSI. Specifically, HOCHTIEF is included in the DJSI World, and CIMIC, in the DJSI Australia.
- For another year, ACS Actividades de Construcción y Servicios was included in the 2021 Sustainability Yearbook published by S & P Global for its excellent sustainability performance.
- In 2021, FTSE Russell confirmed that the ACS Group had been independently evaluated in accordance with the FTSE4Good criteria and had met the requirements to become a component of the FTSE4Good index series.
- The ACS Group is a signatory to the United Nations Global Compact.
- The ACS Group supports the Carbon Disclosure Project initiative.
- ACS is the tenth company in terms of sales in the world according to the ranking of ENR magazine published in August 2021 and the company with the most international activity according to this same ranking.

Member of  
**Dow Jones  
Sustainability Indices**

Powered by the S&P Global CSA

**Sustainability Yearbook**  
Member 2022

**S&P Global**



### 7.3.7 WE WOULD LIKE TO KNOW YOUR OPINION

As you may have observed in the preceding pages, the ACS Group is committed to transparency of information and the relationships with its various stakeholders.

The ACS Group considers the assumption of reporting principles to be a process of ongoing improvement, in which it is essential to count on the informed opinion of the various stakeholders. We would therefore greatly appreciate any feedback you may have on this report at:

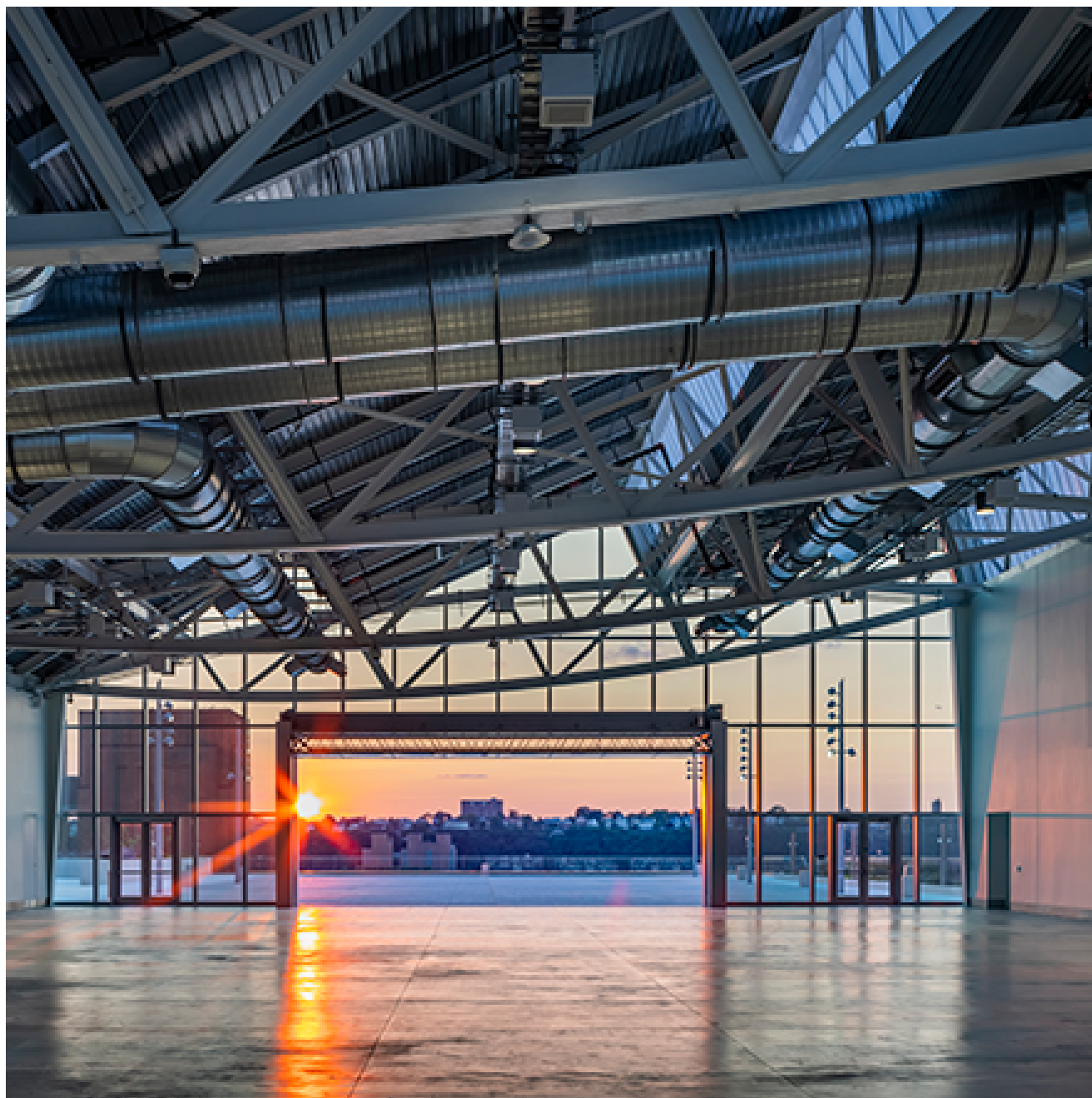
**ACS GROUP**  
**Avenida de Pío XII, 102**  
**Madrid 28036**  
**Tel.: +34 91 343 92 00**  
**Email: [info@grupoacs.com](mailto:info@grupoacs.com)**

## 7.4. ECONOMIC AND FINANCIAL ANNEXES

### 7.4.1. TREASURY SHARES

As of 31 December 2021, the Group held 28,876,676 shares in the Parent Company, with a nominal value of 0.5 euros, representing 9.5% of the share capital. The details of the operations carried out during the year are as follows:

|                               | 2020              |                    | 2021              |                    |
|-------------------------------|-------------------|--------------------|-------------------|--------------------|
|                               | Number of shares  | Thousands of euros | Number of shares  | Thousands of euros |
| <b>At beginning of period</b> | <b>11,386,246</b> | <b>402,542</b>     | <b>25,604,641</b> | <b>636,011</b>     |
| Purchases                     | 32,494,620        | 738,218            | 20,169,758        | 472,252            |
| Amortization and sale         | -18,276,225       | -504,749           | -16,897,723       | -416,347           |
| <b>At end of period</b>       | <b>25,604,641</b> | <b>636,011</b>     | <b>28,876,676</b> | <b>691,916</b>     |



## 7.4.2. IRIDIUM CONCESSIONS PORTFOLIO\*

| CONCESSION - DESCRIPTION                 | STAKE  | CONSOLIDATION METHOD | COUNTRY  | ACTIVITY          | PHASE        | UD             | EXPIRATION DATE   | TOTAL INVESTMENT (MNE) | ACS GROUP INVESTMENT (MNE) |
|--|--------|----------------------|----------|-------------------|--------------|----------------|-------------------|------------------------|----------------------------|
| Autovía de La Mancha                     | 19.5%  | P.E.                 | Spain    | Highways          | Exploitation | 52             | Apr-33            | 128                    | 5                          |
| Reus-Alcover                             | 26.0%  | P.E.                 | Spain    | Highways          | Exploitation | 10             | Dec-38            | 69                     | 4                          |
| Santiago Brión                           | 18.2%  | P.E.                 | Spain    | Highways          | Exploitation | 16             | Sep-35            | 117                    | 4                          |
| Autovía de los Pinares                   | 16.5%  | P.E.                 | Spain    | Highways          | Exploitation | 44             | Apr-41            | 97                     | 4                          |
| Autovía Medinaceli-Calatayud             | 100.0% | Global               | Spain    | Highways          | Exploitation | 93             | Dec-26            | 183                    | 24                         |
| Autovía del Pirineo (AP21)               | 26.0%  | P.E.                 | Spain    | Highways          | Exploitation | 45             | Jul-39            | 233                    | 21                         |
| Autovía de la Sierra de Arana            | 40.0%  | P.E.                 | Spain    | Highways          | -            | 39             | n.a.              | 200                    | 2                          |
| EMESA (Madrid Calle 30)                  | 50.0%  | P.E.                 | Spain    | Highways          | Exploitation | 33             | 2025 - 12/09/2040 | 185                    | 0                          |
| Eje Diagonal                             | 26.0%  | P.E.                 | Spain    | Highways          | Exploitation | 67             | Jan-42            | 475                    | 41                         |
| A-30 Nouvelle Autoroute 30               | 12.5%  | P.E.                 | Canada   | Highways          | Exploitation | 74             | Sep-43            | 1,353                  | 20                         |
| FTG Transportation Group                 | 12.5%  | P.E.                 | Canada   | Highways          | Exploitation | 45             | Jun-34            | 544                    | 3                          |
| Windsor Essex                            | 33.3%  | P.E.                 | Canada   | Highways          | Exploitation | 11             | Feb-44            | 891                    | 6                          |
| Signature on the Saint-Lawrence Group    | 25.0%  | P.E.                 | Canada   | Highways          | Exploitation | 3              | Nov-49            | 1,699                  | 15                         |
| Highway 427                              | 50.0%  | P.E.                 | Canada   | Highways          | Exploitation | 11             | Sep-50            | 248                    | 4                          |
| Gordie Howe Bridge                       | 40.0%  | P.E.                 | Canada   | Highways          | Construction | 2.5            | 30-11-2054        | 2,681                  | 0                          |
| CRG Waterford                            | 33.3%  | P.E.                 | Ireland  | Highways          | Exploitation | 41             | Jun-37            | 361                    | 23                         |
| CRG Portlaoise                           | 50.0%  | P.E.                 | Ireland  | Highways          | Exploitation | 14             | Feb-43            | 169                    | 9                          |
| N25 New Ross Bypass                      | 50.0%  | P.E.                 | Ireland  | Highways          | Exploitation | 32             | Jan-44            | 253                    | 13                         |
| M11 Gorey – Enniscorthy                  | 75.0%  | P.E.                 | Ireland  | Highways          | Exploitation | 22             | Jul-30            | 285                    | 21                         |
| Sper - Planestrada (Baixo Alentejo)      | 21.6%  | P.E.                 | Portugal | Highways          | Exploitation | 17             | Aug-68            | 918                    | 69                         |
| A-13, Puerta del Támesis                 | 40.0%  | P.E.                 | UK       | Highways          | Exploitation | 35             | Dec-53            | 471                    | 17                         |
| SH288 Toll Lanes-Texas                   | 50.0%  | P.E.                 | USA      | Highways          | Exploitation | 9              | Oct-40            | 789                    | 0                          |
| Portsmouth Bypass                        | 12.5%  | P.E.                 | USA      | Highways          | Exploitation | 17             | Feb-44            | 1,419                  | 23                         |
| <b>Total Highways (km)</b>               |        |                      |          |                   |              | <b>733</b>     |                   | <b>13,768</b>          | <b>329</b>                 |
| Línea 9 Tramo II                         | 10.0%  | N.C.                 | Spain    | Railways          | Exploitation | 11             | Oct-42            | 879                    | 7                          |
| Línea 9 Tramo IV                         | 10.0%  | N.C.                 | Spain    | Railways          | Exploitation | 11             | Sep-40            | 645                    | 6                          |
| Metro de Arganda                         | 8.1%   | N.C.                 | Spain    | Railways          | Exploitation | 18             | Dec-29            | 149                    | 3                          |
| ELOS - Ligações de Alta Velocidade       | 15.2%  | N.C.                 | Portugal | Railways          | -            | 167            | 2,050             | 1,637                  | 20                         |
| Rideau Transit Group (Ligth RT Ottawa)   | 40.0%  | P.E.                 | Canada   | Railways          | Exploitation | 13             | May-48            | 1,441                  | 21                         |
| Crosslinx Transit Solutions              | 25.0%  | P.E.                 | Canada   | Railways          | Construction | 20             | Sep-51            | 3,808                  | 0                          |
| Ottawa Phase II variation                | 33.3%  | P.E.                 | Canada   | Railways          | Exploitation | n.a.           | May-48            | 343                    | 0                          |
| Finch West LRT                           | 33.3%  | P.E.                 | Canada   | Railways          | Construction | 11             | Sep-53            | 956                    | 0                          |
| Angels flight                            | 86.7%  | Global               | USA      | Railways          | Exploitation | n.a.           | Apr-47            | 2                      | 2                          |
| LAX Automated People Mover               | 18.0%  | P.E.                 | USA      | Railways          | Construction | 4              | May-48            | 2,154                  | 0                          |
| Metro de Lima Línea 2                    | 25.0%  | P.E.                 | Peru     | Railways          | Construction | 35             | Apr-49            | 3,934                  | 26                         |
| <b>Total km Railways</b>                 |        |                      |          |                   |              | <b>289</b>     |                   | <b>15,948</b>          | <b>85</b>                  |
| Cárcel de Brians                         | 100.0% | Global               | Spain    | Jails             | Exploitation | 95,182         | Dec-34            | 108                    | 14                         |
| Comisaría Central (Ribera norte)         | 20.0%  | P.E.                 | Spain    | Police Station    | Exploitation | 60,330         | May-24            | 70                     | 3                          |
| Comisaría del Vallés (Terrasa)           | 20.0%  | P.E.                 | Spain    | Police Station    | Exploitation | 8,937          | Apr-32            | 17                     | 1                          |
| Comisaría del Vallés (Barberá)           | 20.0%  | P.E.                 | Spain    | Police Station    | Exploitation | 9,269          | Apr-32            | 20                     | 1                          |
| Los Libertadores                         | 100.0% | Global               | Chile    | Border Facility   | Exploitation | 32,011         | Nov-30            | 59                     | 7                          |
| <b>Public Facilities (m2)</b>            |        |                      |          |                   |              | <b>205,729</b> |                   | <b>273</b>             | <b>25</b>                  |
| Hospital Majadahonda                     | 11.0%  | N.C.                 | Spain    | Hospitals         | Exploitation | 749            | Jul-35            | 257                    | 4                          |
| Nuevo Hospital de Toledo, S.A.           | 6.7%   | P.E.                 | Spain    | Hospitals         | Exploitation | 853            | Mar-45            | 285                    | 4                          |
| Hospital Son Espases                     | 9.9%   | N.C.                 | Spain    | Hospitals         | Exploitation | 987            | Oct-39            | 305                    | 3                          |
| Hospital de Can Misses (Ibiza)           | 8.0%   | N.C.                 | Spain    | Hospitals         | Exploitation | 297            | Oct-42            | 129                    | 2                          |
| <b>Hospitals (number of beds)</b>        |        |                      |          |                   |              | <b>2,886</b>   |                   | <b>976</b>             | <b>14</b>                  |
| Intercambiador Plaza de Castilla         | 4.4%   | N.C.                 | Spain    | Transfer Stations | Exploitation | 59,650         | Feb-41            | 174                    | 1                          |
| Intercambiador Príncipe Pío              | 8.4%   | N.C.                 | Spain    | Transfer Stations | Exploitation | 28,300         | Dec-40            | 66                     | 1                          |
| Intercambiador Avda América              | 12.0%  | N.C.                 | Spain    | Transfer Stations | Exploitation | 41,000         | Jun-38            | 114                    | 2                          |
| <b>Total Transfer Stations (m2)</b>      |        |                      |          |                   |              | <b>128,950</b> |                   | <b>354</b>             | <b>4</b>                   |
| Iridium Aparcamientos                    | 100.0% | Global               | Spain    | Parkings          | Exploitation | 8,157          | 2058              | 39                     | 68                         |
| Serrano Park                             | 50.0%  | P.E.                 | Spain    | Parkings          | Exploitation | 3,297          | Dec-48            | 130                    | 21                         |
| <b>Total Parkings (number of places)</b> |        |                      |          |                   |              | <b>11,454</b>  |                   | <b>169</b>             | <b>89</b>                  |
| <b>TOTAL CONCESSIONS</b>                 |        |                      |          |                   |              |                |                   | <b>31,487</b>          | <b>545</b>                 |

### 7.4.3. EXTRAORDINARY IMPACTS ON THE INCOME STATEMENT

| ADJUSTMENTS TO THE INCOME STATEMENT                           |               |                      |  |                            |               |               |  |  |                      |               |
|---|---------------|----------------------|--|----------------------------|---------------|---------------|--|--|----------------------|---------------|
| EURO MILLION  | 2020 REPORTED | REST. INDUSTRIAL (1) | ELIMINATION 50% THIESS & E.M. RECLASS. (2) | EXTRAORD. IMPACTS 2020 (3) | 2020 ORDINARY | 2021 ORDINARY | NET CAPITAL GAIN INDUSTRIAL SERVICES (3) | PROVISION FOR RE-EVALUATION OF RISKS (3) | ALTO MAIPO (HOT) (3) | 2021 ORDINARY |
| <b>Net Sales</b>  | <b>34,937</b> | <b>(5,633)</b>       | <b>(2,177)</b>                             | <b>725</b>                 | <b>27,853</b> | <b>27,837</b> | —  | —  | —                    | <b>27,837</b> |
| COGS and general expenses                                     | 32,690        | (5,146)              | (1,364)                                    | 598                        | 26,779        | (26,512)      | —  | —  | —                    | (26,512)      |
| Operating Results from Equity Method                          | 197           | (42)                 | 155  | —                          | 310           | 273           | —  | —  | —                    | 273           |
| <b>Operating Cash Flow (EBITDA)</b>                           | <b>2,444</b>  | <b>(529)</b>         | <b>(659)</b>                               | <b>127</b>                 | <b>1,384</b>  | <b>1,598</b>  | —  | —  | —                    | <b>1,598</b>  |
| Fixed assets depreciation                                     | 968           | (92)                 | (389)                                      | (31)                       | 456           | (479)         | —  | —  | —                    | (479)         |
| Current assets provisions                                     | (4)           | (10)                 | —  | —                          | (14)          | 34            | —  | —  | 41                   | 75            |
| <b>Ordinary Operating Profit (EBIT)</b>                       | <b>1,480</b>  | <b>(427)</b>         | <b>(270)</b>                               | <b>158</b>                 | <b>941</b>    | <b>1,084</b>  | —  | —  | <b>(41)</b>          | <b>1,043</b>  |
| Impairment & gains on fixed assets                            | (38)          | (15)                 | —  | —                          | (53)          | (19)          | —  | (480)                                    | —                    | (471)         |
| Other operating results                                       | (32)          | 13                   | —  | 4                          | (16)          | (40)          | —  | —  | (161)                | (203)         |
| Net Financial Result  | (137)         | 50                   | 17   | (177)                      | (247)         | (225)         | —  | —  | 7                    | (313)         |
| Non Operating Results from Equity Method                      | 11            | —                    | —  | —                          | 11            | 1             | —  | 0  | —                    | 1             |
| <b>PBT of continued operations</b>                            | <b>1,283</b>  | <b>(379)</b>         | <b>(253)</b>                               | <b>(16)</b>                | <b>636</b>    | <b>800</b>    | —  | <b>(480)</b>                             | <b>(195)</b>         | <b>58</b>     |
| Corporate income tax  | 387           | (132)                | (98)                                       | (44)                       | 113           | 195           | 608                                      | —  | —                    | 789           |
| <b>Net profit of continued operations</b>                     | <b>896</b>    | <b>(247)</b>         | <b>(155)</b>                               | <b>28</b>                  | <b>523</b>    | <b>605</b>    | <b>(608)</b>                             | <b>(480)</b>                             | <b>(195)</b>         | <b>(732)</b>  |
| Profit after taxes of the discontinued operations             | —             | 244                  | —  | —                          | 244           | 379           | 3,517                                    | 0  | —                    | 3,947         |
| <b>Consolidated Result</b>                                    | <b>896</b>    | <b>(3)</b>           | <b>(155)</b>                               | <b>28</b>                  | <b>767</b>    | <b>984</b>    | <b>2,909</b>                             | <b>(480)</b>                             | <b>(195)</b>         | <b>3,215</b>  |
| Minority interest   | 322           | (3)                  | (95)                                       | —                          | 225           | 263           | —  | (1)                                      | (93)                 | 169           |
| <b>Ordinary Net Profit Attributable to the Parent Company</b> | <b>574</b>    | <b>—</b>             | <b>(60)</b>                                | <b>28</b>                  | <b>542</b>    | <b>720</b>    | <b>2,909</b>                             | <b>(479)</b>                             | <b>(102)</b>         | <b>3,045</b>  |

In order to facilitate comparison between the financial years, the income statements presented in this report have been subject to restatement, adjustment and reclassification due to notions regarded as extraordinary and non-recurring. Specifically:

1. The Industrial Services activity was restated as a discontinued activity in 2020 as a result of the sale of the Industrial Services area carried out at the end of 2021.
2. Thiess (CIMIC) was reclassified as Equity in 2020. 50% of its contribution was eliminated after its sale at year-end, and the remaining 50% was consolidated as Equity in 2021.
3. The various items in the income statement were adjusted for impacts considered extraordinary in both periods. These impacts are the following:
  - Extraordinary impacts 2020: Gorgon (CIMIC), Thiess (gains and removal from the Goodwill), Financial results for extraordinary derivatives of the Corporation
  - Other extraordinary impacts 2021: Earn-out de Urbaser, effect of non-amortisation of industrial services assets and financial results for extraordinary derivatives of the Corporation

## 7.4.4. ANNUAL CORPORATE GOVERNANCE REPORT

The Annual Corporate Governance Report required by commercial law, which forms an integral part of the 2021 Consolidated Management Report, is presented as a reference and will be available on the CNMV website.

## 7.4.6. GLOSSARY

The ACS Group presented its results in accordance with International Financial Reporting Standards (IFRS). However, the Group used some Alternative Performance Measures (APM) to provide additional information

## 7.4.5. REPORT ON BOARD MEMBERS' REMUNERATION.

The Annual Directors Remuneration Report required by commercial law, which forms an integral part of the 2021 Consolidated Management Report, is presented by reference and will be available on the CNMV website.

for easier comparison and understanding of their financial information, and to facilitate the decision-making and assessment of the Group's performance. The most noteworthy APMs are detailed below.

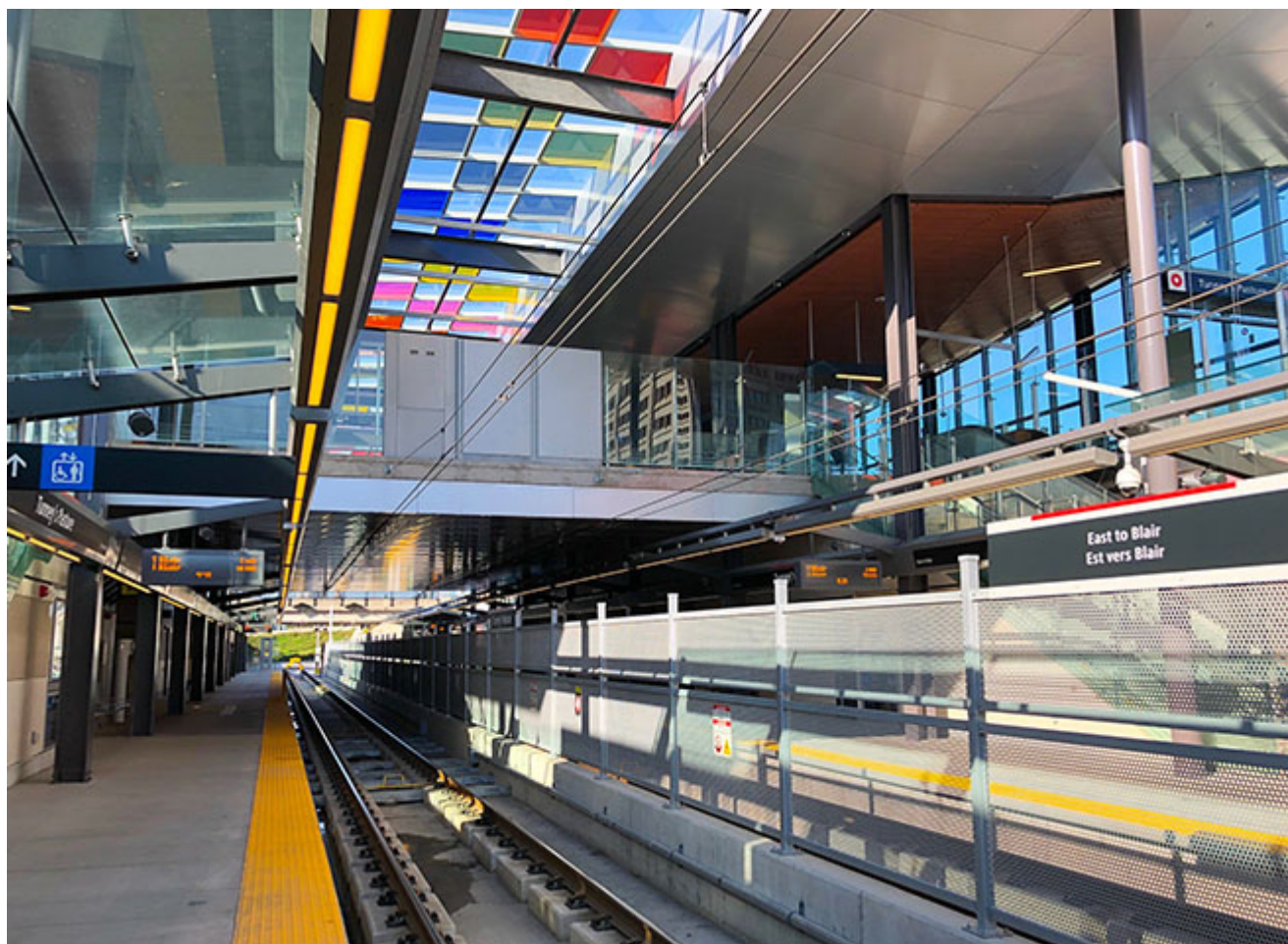
| CONCEPT  | DEFINITION and COHERENCE   | Dec-21         | Dec-20         |
|--|--|----------------|----------------|
| Market capitalisation  | Num of shares at period close x price at period close  | 7,181          | 8,435          |
| Earnings per share   | Net Profit of the period / Average num of shares of the period   | 10.74          | 1.75           |
| Net Attributable profit  | Total Income - Total Expenses of the period - Minority interests result  | 720            | 542            |
| Average num. of shares of the period                                       | Daily average outstanding shares in the period adjusted by treasury stock  | 67.1           | 309.8          |
| Backlog  | Value of the contracts awarded and pending to be executed. In section 1.1, a breakdown is made between a direct and proportional portfolio (referring to proportional participation in joint operating companies and projects not consolidated globally in the Group)  | 67,262         | 60,425         |
| Gross Operating Profit (EBITDA)  | Operating Profit excluding (1) D&A y (2) non recurrent operating results and/or which dont imply a cash flow + Results from Equity Method (Associates and Joint Ventures)  | 1,598          | 1,384          |
| (+) Operating Profit   | Operating income - Operating expenses  | 752            | 563            |
| (-) 1.D&A  | Operating provisions and fix asset depreciation  | (514)          | (443)          |
| (-) 2. Non recurrent operating results and/or which dont imply a cash flow | Impairment & gains on fixed assets + other operating results   | (60)           | (69)           |
| (+) Results from Equity Method Investments (Associates and Joint Ventures) | Includes the net result of operating companies accounted for using the equity method. Among others; the NPAT of operating investments, such as Abertis, and that of mixed companies consolidated by the equity method. It is assimilated to the UTEs regime in Spain and therefore is included in the EBITDA in order to standardize the accounting criteria with the Group's foreign companies. | 273            | 310            |
| <b>Net Financial Debt / EBITDA</b>   |  | <b>-1.3</b>    | <b>1.3</b>     |
| Net Financial Debt (1)-(2)   | Gross external financial debt +Net debt with group companies - Cash & Equivalents  | (2,009)        | 1,820          |
| (1) Deuda Financiera Bruta   | Bank debt + Obligations and other negotiable securities + Project finance and non recourse debt + Financial lease + Other l/t non bank debt + Debt with group companies  | 10,526         | 11,256         |
| (2) Cash & Equivalents   | Temporary Financial investments + L/T deposits + Cash & Equivalents  | 12,534         | 9,436          |
| Annualized EBITDA  | EBITDA of the period / num of month within the period x 12 months  | 1,598          | 1,384          |
| <b>Net Cash Flow</b>   | <b>(1) Cash Flow from operating activities + (2) Cash Flow from investing activities + (3) Other Cash flows</b>  | <b>3,785</b>   | <b>(1,488)</b> |
| <b>1. Cash Flow from operating activities</b>                              | <b>Adjusted Net Profit attributable + Operating working capital variation ex discontinued operations</b>   | <b>556</b>     | <b>556</b>     |
| Adjusted Net Profit attributable   | Net profit attributable (+/-) adjustments of concepts which dont imply an operating cash flow  | 1,073          | 612            |
| Operating working capital variation  | Working capital variation of the period (+/-) adjustments of non operating concepts (Ej: dividends, interests, taxes, etc)   | (517)          | (56)           |
| <b>2. Cash Flow from investing activities</b>                              | <b>Net investments (paid/collected) ex discontinued operations</b>   | <b>4,844</b>   | <b>186</b>     |
| (-) Payments from investments  | Payments for operating, project and financial investments. This figure may differ from that shown in section 2.3.2 for reasons of deferral (accruals) ex discontinued operations   | (519)          | (1,562)        |
| (+) Collections from divestments   | Collections from operating, project and financial divestments. This figure may differ from that shown in section 2.3.2 for reasons of deferral (accruals) ex discontinued operations   | 5,363          | 1,748          |
| <b>3. Other Cash Flows</b>   | <b>Treasury stock sale/acquisition + Dividend payments + Other financial sources + Op.Lease payments+ Cash generated from discontinued operations</b>  | <b>(1,615)</b> | <b>(2,230)</b> |
| Ordinary Financial Result  | Financial Income - Financial expenses  | (259)          | (217)          |
| Net Financial Result   | Ordinary financial result + Foreign exchange results + Impairment non current assets results + Results on non current assets disposals   | (225)          | (247)          |
| Working Capital  | Stock + Total accounts receivables - Total accounts payables - other current liabilities   | (3,799)        | (5,622)        |

NOTE: All financial indicators and AMPs are calculated under the principles of coherence and homogeneity allowing comparability between periods and in compliance with the applicable accounting rules and standards

Data in million of euros



| CONCEPT                                | USE  |
|--|--|
| Market capitalisation                  | Value of the company in the stock exchange market  |
| Earnings per share                     | Indicates the part of the net profit that corresponds to each share  |
| Backlog                                | An indicator of the Group's commercial activity. The value divided by the average duration of the projects is an approximation to the revenues to be received in the following periods   |
| Gross Operating Profit (EBITDA)        | Measure of comparable performance to evaluate the evolution of the Group's operating activities excluding depreciation and provisions (more variable items according to the accounting criteria used). This AMP is widely used to evaluate the operational performance of companies as well as part of ratios and valuation multiples and measurement of risks |
| Net Financial Debt / EBITDA            | Comparable ratio of the Group's indebtedness level. It measures the repayment capacity of the financing in number of years.  |
| Net Financial Debt (1)-(2)             | Total net debt level at the end of the period. In section 1, it is included a breakdown of the net debt of the projects (Project Finance) and the net debt of the business   |
| (1) Deuda Financiera Bruta             | Level of gross financial debt at period end  |
| (2) Cash & Equivalent                  | Current liquid assets available to cover the repayment needs of financial liabilities  |
| Annualized EBITDA                      |  |
| Net Cash Flow                          | Cash generated / consumed of the period  |
| 1. Cash Flow from operating activities | Cash generated by operating activities. Its value is comparable to the Group's EBITDA by measuring the conversion of operating income into cash generation   |
| 2. Cash Flow from investing activities | Funds consumed / generated by investment needs or divestments collections in the period  |
| 3. Other Cash Flows                    |  |
| Ordinary Financial Result              | Measure of assessment of the result coming from the use of financial assets and liabilities. This concept includes both income and expenses directly related with net financial debt as other non related financial income/expenses  |
| Net Financial Result                   |  |
| Working Capital                        |  |





KPMG Asesores S.L.  
Paseo de la Castellana, 259 C  
28046 Madrid

### **Independent Assurance Report on the Consolidated Non-Financial Information Statement of ACS Actividades de Construcción y Servicios, S.A. and subsidiaries for 2021**

(Translation from the original in Spanish. In case of discrepancy, the Spanish language version prevails.)

To the Shareholders of ACS Actividades de Construcción y Servicios, S.A.:

Pursuant to article 49 of the Spanish Code of Commerce, we have performed a limited assurance review of the (accompanying) Consolidated Non-Financial Information Statement (hereinafter NFIS) of ACS Actividades de Construcción y Servicios, S.A., (hereinafter the Parent) and subsidiaries (hereinafter the Group) for the year ended 31 December 2021, which forms part of the accompanying consolidated Directors' Report of the Group for 2021.

The consolidated Directors' Report includes additional information to that required by prevailing mercantile legislation concerning non-financial information, which has not been the subject of our assurance work. In this respect, our work was limited exclusively to providing assurance on the information contained in the "Contents of the consolidated NFIS" table of the accompanying consolidated Directors' Report.

#### **Directors' Responsibility**

---

The Directors of the Parent are responsible for the content and authorisation for issue of the NFIS included in Group's consolidated Directors' Report. The NFIS has been prepared in accordance with prevailing mercantile legislation and selected Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards) based on each subject area in the "Contents of the consolidated NFIS" table of the aforementioned consolidated Directors' Report.

This responsibility also encompasses the design, implementation and maintenance of internal control deemed necessary to ensure that the NFIS is free from material misstatement, whether due to fraud or error.

The Directors of the Parent are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the NFIS was obtained.

#### **Our Independence and Quality Control**

---

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international independence standards) issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

KPMG Asesores S.L., a limited liability Spanish company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. Paseo de la Castellana, 269C - Torre de Cristal - 28046 Madrid

Reg. Mer Madrid, T. 14.972, F. 63, Sec. 6, H. M-249.480, Inscrp. 1.ª N.I.F. B-92498950



(Translation from the original in Spanish. In case of discrepancy, the Spanish language version prevails.)

Our firm applies International Standard on Quality Control 1 (ISQC1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The engagement team was comprised of professionals specialised in reviews of non-financial information and, specifically, in information on economic, social and environmental performance.

### **Our Responsibility**

---

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. We conducted our review engagement in accordance with the requirements of the Revised International Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines for assurance engagements on the Non-Financial Information Statement issued by the Spanish Institute of Registered Auditors (ICJCE).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently, the level of assurance provided is also lower.

Our work consisted of making inquiries of management, as well as of the different units and areas of the Parent that participated in the preparation of the NFIS, reviewing the processes for compiling and validating the information presented in the NFIS and applying certain analytical procedures and sample review tests, which are described below:

- Meetings with the Parent's personnel to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these matters and to obtain the information necessary for the external review.
- Analysis of the scope, relevance and completeness of the content of the NFIS for 2021 based on the materiality analysis performed by the Parent and described in the "Identification of relevant matters" section, considering the content required by prevailing mercantile legislation.
- Analysis of the processes for compiling and validating the data presented in the NFIS for 2021.
- Review of the information relative to the risks, policies and management approaches applied in relation to the material aspects presented in the NFIS for 2021.
- Corroboration, through sample testing, of the information relative to the content of the NFIS for 2021 and whether it has been adequately compiled based on data provided by the information sources.
- Procurement of a representation letter from the Directors and management.



(Translation from the original in Spanish. In case of discrepancy, the Spanish language version prevails.)

## **Conclusion**

---

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the NFIS of ACS Actividades de Construcción y Servicios, S.A. and subsidiaries for the year ended 31 December 2021 has not been prepared, in all material respects, in accordance with prevailing mercantile legislation and selected GRI Standards based on each subject area in the "Contents of the consolidated NFIS" table of the aforementioned consolidated Directors' Report.

## **Emphasis of Matter**

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Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment stipulates the obligation to disclose information on how and to what extent the undertaking's activities are associated with economic activities that qualify as environmentally sustainable in relation to climate change mitigation and climate change adaptation. This obligation applies for the first time for the 2021 fiscal year, provided that the Non-Financial Information Statement is published from 1 January 2022 onwards. Consequently, the attached Directors' Report does not contain comparative information on this matter. Additionally, certain information has been included in respect of which the Directors of the Parent have opted to apply the criteria that, in their opinion, best allow them to comply with the new obligation, and which are those defined in section "European Union Taxonomy" in the accompanying Directors' Report. Our conclusion is not modified in respect of this matter.

## **Use and Distribution**

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This report has been prepared in response to the requirement established in prevailing mercantile legislation in Spain, and thus may not be suitable for other purposes and jurisdictions.

KPMG Asesores, S.L.

*(Signed on original in Spanish)*

Marta Contreras Hernández

24 March 2022

# DIRECTORY

Head offices of the ACS' Group main companies

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The ACS logo consists of the letters 'ACS' in a bold, yellow, sans-serif font, set against a dark blue rectangular background. To the right of the letters is a white square icon containing a yellow stylized arrow pointing upwards and to the right.

**ACS**

ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS

The background of the cover is a photograph of a modern building's interior, featuring a multi-level atrium with a complex wooden and white structural design. The lighting is warm and natural, highlighting the architectural details. The text is overlaid on the bottom half of the image.

**2021**

**ANNUAL CORPORATE  
GOVERNANCE REPORT**

# ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED 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 Articles of Association contain a provision for double voting due to loyalty:

No   
 Yes       **Date approved by the meeting**      dd/mm/yyyy

**Minimum uninterrupted period of ownership required by the Articles of Association**

Indicate whether the company has attributed loyalty votes:

No   
 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 |
|--|----------------|------------------|--|--|---|
| 11/11/2021                               | 152.332.297,00 | 304.664.594      | 304.664.594  |  |   |

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

### Comments

On 24 January 2022, the share capital was reduced to EUR 147,332,297, represented by EUR 294,664,594 shares with a par value of EUR 0.50 each, fully subscribed and paid up.

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 stakes at year's end, including directors with a significant stakes:

| 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   | 2,63     | 0,00  | 0,00     | 2,63                     |  |          |
| Mr. FLORENTINO PÉREZ RODRÍGUEZ          | 0,00   | 12,93    | 0,00  | 0,00     | 12,93                    |  |          |
| Mr. ALBERTO ALCOCER TORRA               | 0,00   | 2,47     | 0,00  | 0,00     | 2,47                     |  |          |
| SOCIETE GENERALE S.A.                   | 6,08   | 0,00     | 0,00  | 0,00     | 6,08                     |  |          |
| BLACKROCK                               | 0,00   | 4,69     | 0,00  | 0,31     | 5,00                     |  |          |

### 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.                                  | 1,41   | 0,00  | 1,41                     |  |  |
| Mr. ALBERTO CORTINA ALCOCER                      | CORPORACIÓN FINANCIERA ALCOR, S.L.             | 0,15   | 0,00  | 0,15                     |  |  |
| Mr. ALBERTO CORTINA ALCOCER                      | IMVERNELIN PATRIMONIO, S.L..                   | 1,07   | 0,00  | 1,07                     |  |  |
| Mr. FLORENTINO PÉREZ RODRÍGUEZ                   | ROSAN INVERSIONES, S.L.                        | 12,93  | 0,00  | 12,93                    |  |  |
| Mr. ALBERTO ALCOCER TORRA                        | COMERCIO Y FINANZAS, S.L.                      | 1,25   | 0,00  | 1,25                     |  |  |
| Mr. ALBERTO ALCOCER TORRA                        | CORPORACIÓN FINANCIERA ALCOR, S.L.             | 0,15   | 0,00  | 0,15                     |  |  |
| Mr. ALBERTO ALCOCER TORRA                        | IMVERNELIN PATRIMONIO, S.L.                    | 1,07   | 0,00  | 1,07                     |  |  |
| BLACKROCK  | BLACKROCK, INC                                 | 4,69   | 0,31  | 5,00                     |  |  |

### Comments

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

Most significant movements

**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   | 0,10   | 0,00     | 0,00  | 0,00     | 0,10                     | 0,00   | 0,00     |
| Mr. PEDRO JOSÉ LÓPEZ JIMÉNEZ    | 0,00   | 0,24     | 0,00  | 0,00     | 0,24                     | 0,00   | 0,00     |
| Mr. JAVIER ECHENIQUE LANDIRÍBAR | 0,01   | 0,00     | 0,00  | 0,00     | 0,01                     | 0,00   | 0,00     |
| Mr. ANTONIO GARCÍA FERRER       | 0,03   | 0,00     | 0,00  | 0,00     | 0,03                     | 0,00   | 0,00     |
| Mr. AGUSTÍN BATUECAS TORREGO    | 0,44   | 0,25     | 0,00  | 0,00     | 0,69                     | 0,00   | 0,00     |

|   |      |
|---|------|
| % total de derechos de voto titularidad de miembros del consejo de administración | 1,07 |
|---|------|

Comments

Details of the indirect shareholding:

| Nombre o denominación social del consejero | Name or company name of the direct shareholder | % voting rights attributed to shares (including loyalty votes) | % derechos de voto a través de instrumentos financieros | % of total voting rights | Del % total de derechos de voto atribuidos a las acciones, indique, en su caso, el % de los votos adicionales atribuidos que corresponden a las acciones con voto por lealtad |
|--|--|--|---|--------------------------|---|
| Mr. PEDRO JOSÉ LÓPEZ JIMÉNEZ               | FAPIN MOBI, S.L.                               | 0,24   | 0,00  | 0,24                     | 0,00  |
| Mr. AGUSTÍN BATUECAS TORREGO               | CARCALODÓN, S.L.                               | 0,25   | 0,00  | 0,25                     | 0,00  |

Comments

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

|   |       |
|---|-------|
| % of total voting rights represented on the board | 14,01 |
|---|-------|

**A.4 Indicate any relationships of a family, commercial, contractual or corporate nature existing between the holders of significant stakeholdings, insofar as they are known to the company, unless they have scant relevance or arise from the ordinary course of business, and aside from those indicated in section A.6:**

**A.5 Indicate any relationships of a commercial, contractual or corporate nature existing between the holders of significant stakeholdings and the company and the group, unless they have scant relevance or arise from the ordinary course of business:**

**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 Mr. FLORENTINO PÉREZ RODRÍGUEZ, SOLE DIRECTOR OF ROSAN INVERSIONES, S.L. |

Comments

**A.7 Indicate whether shareholders have signed any side 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, and if so describe them briefly:**

| 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 |
|-------------------------|-------------------------------|--------------------------|
| 28.261.511              | 500                           | 9,276 %                  |

Comments

(\*) Through: FUNDING STATEMENT, 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 |
|-------------------|------------------------------|-----------------------------------|
| 21/12/2021        | 3.324.818                    | 1,091 %                           |
| 17/11/2021        | 2.471.134                    | 0,811 %                           |
| 14/10/2021        | 3.134.342                    | 1,009 %                           |
| 14/09/2021        | 3.280.451                    | 1,056 %                           |
| 23/07/2021        | 150.000                      | 0,048 %                           |
| 20/07/2021        | 3.438.136                    | 1,107 %                           |
| 01/06/2021        | 3.204.604                    | 1,032 %                           |
| 17/02/2021        | 1.591.644                    | 0,512 %                           |

Comunicación de amortizaciones:

| Notification date | Total direct shares redeemed | Percentage of total share capital |
|-------------------|------------------------------|-----------------------------------|
| 17/11/2021        | 6.000.000                    | 1,969 %                           |
| 23/07/2021        | 8.329.558                    | 2,681 %                           |
| 17/02/2021        | 2.568.165                    | 0,827 %                           |

**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 Annual General Meeting of 7 May 2021 passed the following resolution: 'Rendering null and void the authorisation granted through the resolutions of the Company's General Meeting held on 8 May 2020 and, in accordance with sections 146 and related sections and 509 of the Consolidated Text of the Corporate Enterprises Act, the Board and those of its subsidiaries are authorised, for 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 those of its subsidiaries are also authorised, within the period and in accordance with the conditions established above to the extent possible, to acquire shares of the Company through loans, for a consideration or otherwise, on an arm's-length basis, 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 Consolidated Text of the Corporate Enterprises Act; and (iii) for dividend reinvestment plans or similar instruments.

To redeem treasury shares, and granting the performance of this task to the board as indicated below, the Board resolved to reduce the share capital, with a charge to profit or unrestricted reserves, for an amount equal to the total nominal value of the treasury shares that the Company directly or indirectly holds at the date the Board resolution is passed.

In accordance with Article 7 of the Articles of Association, 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 to, by the deadline and with the aforementioned limits: (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; (iii) allocate the amount of the reduction, either to restricted reserves or to unrestricted reserves, providing such guarantees as might be required and complying with the related legal requirements; (iv) amend Article 6 of the Articles of Association 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 redemption of treasury shares proposed to the shareholders at the Ordinary General Meeting under item 6 on the Agenda, such that under no circumstances may it prevent the implementation of that resolution in as stipulated in it'.

The Annual General Meeting held on 8 May 2020 also resolved to delegate to the Board, in accordance with section 297(1)(b) of the Corporate Enterprises Act, the power to increase, by one or more times, the share capital of the Company in a maximum amount of up to 50% of its capital, as of the date of this authorisation, with no need to call the General Meeting or for it to subsequently pass a resolution.

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**

|                      |         |
|----------------------|---------|
|                      | %       |
| Estimated free float | 81,97 % |

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Comments

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**A.12 Indicate, as applicable, any restrictions (under the Articles of Association, 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 Articles of Association. In particular, indicate the majorities needed to amend the Articles of Association, and, where appropriate, the rules on protecting shareholder rights when amending the Articles of Association.***

Article 32 of the Articles of Association establishes that, for the General Meeting to be able to validly resolve to increase or reduce the capital and any other amendment to the Articles of Association, 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%. In addition, as established in sections 286 and 287 Corporate Enterprises Act, the Board must draft the entire text of the proposed amendment to the Articles of Association, and a written report justifying the amendment. The General Meeting call must clearly specify the points to be modified and record the right of all shareholders to examine the full text of the proposed amendment and the report on it at the registered office, and to request free delivery or sending of those documents.

Article 29 ('Voting on proposed resolutions') of the General Meeting Regulations establishes the following: '29.3. Separate votes will be taken at the General Meeting on all matters that are substantially separate from each other. In any event, separate votes will be taken on the following matters, even if they are included in the same item on the agenda: (i) the appointment, ratification, re-election or removal of each Director; and (ii) the amendment of the Articles of Association, that of each Article or group of Articles that are separate from each other'.

**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   |
|-----------------------------|------------------------|------------|-------------------|--------|---------|
|                             | % attending in person  | % by proxy | % remote voting   |        |         |
|                             |                        |            | Electronic voting | Others |         |
| 10/05/2019                  | 1,05 %                 | 65,57 %    | 0,01 %            | 0,00%  | 66,63 % |
| Of which are free floating: | 0,19 %                 | 45,54 %    | 0,01 %            | 0,00%  | 45,74 % |
| 08/05/2020                  | 0,93 %                 | 52,80 %    | 0,01 %            | 0,00%  | 53,74 % |
| Of which are free floating: | 0,07 %                 | 47,11 %    | 0,01 %            | 0,00%  | 47,19 % |
| 07/05/2021                  | 1,45 %                 | 60,37 %    | 0,02 %            | 0,00%  | 61,84 % |
| Of which are free floating: | 0,08 %                 | 40,74 %    | 0,02 %            | 0,00%  | 40,84 % |

**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 Articles of Association 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 Articles of Association 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 one hundred 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'.

**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 Articles of Association, the General Meeting Regulations and the Board Regulations.

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

- Board of Directors. Clicking on this link displays the Board Regulations 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 menu of the COMPLIANCE tab, there is a section entitled 'Compliance Policies and Procedures', which contains the Code of Conduct, the Code of Conduct for Business Partners, the Policy on the Operation of the Whistleblower Channel, the General Risk Control and Management Policy, the Criminal and Anti-Bribery Compliance Policy, the Human Rights Policy, the Corporate Tax Policy, the Diversity Policy, the Sustainability Policy, the Competition Compliance Policy and Protocol, the Policy on Reporting Economic-Financial, Non-Financial and Corporate Information and Contacts and Engagement with Shareholders and Other Stakeholders, the Information Security Policy, the Remuneration Policy, the Treasury Stock Policy, the Corporate Human Rights Due Diligence Protocol, the Code of Conduct in the Securities Markets and the Environmental Policy. 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 Articles of Association 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:

| Director name                   | Representative | Type of Board member | Position on the Board    | Date first appointment | Date last appointment | Appointment procedure  |
|---------------------------------|----------------|----------------------|--------------------------|------------------------|-----------------------|------------------------|
| Mr. FLORENTINO PÉREZ RODRÍGUEZ  |                | Executive            | Chair and CEO            | 28/6/1989              | 10/5/2019             | Shareholder Resolution |
| Mr. ANTONIO GARCÍA FERRER       |                | Executive            | Deputy Chair             | 14/10/2003             | 10/5/2019             | Shareholder Resolution |
| Mr. AGUSTÍN BATUECAS TORREGO    |                | Other External       | Director                 | 29/6/1999              | 10/5/2019             | Shareholder Resolution |
| Mr. ANTONIO BOTELLA GARCÍA      |                | Independent          | Director                 | 28/4/2015              | 10/5/2019             | Shareholder Resolution |
| Mr. JOSÉ LUIS DEL VALLE PÉREZ   |                | Executive            | Board member - Secretary | 28/6/1989              | 10/5/2019             | Shareholder Resolution |
| Mr. JAVIER ECHENIQUE LANDIRIBAR |                | Proprietary          | Director                 | 20/5/2004              | 8/5/2020              | Shareholder Resolution |
| Ms. CARMEN FERNÁNDEZ ROZADO     |                | Independent          | Director                 | 28/2/2017              | 7/5/2021              | Shareholder Resolution |
| Mr. EMILIO GARCÍA GALLEGO       |                | Independent          | Director                 | 13/11/2014             | 10/5/2019             | Shareholder Resolution |
| Mr. JOAN-DAVID GRIMÀ TERRÉ      |                | Other External       | Director                 | 14/10/2003             | 10/5/2019             | Shareholder Resolution |
| Mr. MARIANO HERNÁNDEZ HERREROS  |                | Proprietary          | Director                 | 5/5/2016               | 8/5/2020              | Shareholder Resolution |
| Mr. PEDRO LÓPEZ JIMÉNEZ         |                | Other External       | Director                 | 28/6/1989              | 10/5/2019             | Shareholder Resolution |
| Ms. CATALINA MIÑARRO BRUGAROLAS |                | Independent          | Director                 | 28/4/2015              | 10/5/2019             | Shareholder Resolution |
| Ms. MARÍA SOLEDAD PÉREZ         |                | Proprietary          | Director                 | 13/11/2014             | 10/5/2019             | Shareholder Resolution |
| Mr. MIGUEL ROCA JUNYENT         |                | Other External       | Director                 | 14/10/2003             | 10/5/2019             | Shareholder Resolution |
| Mr. JOSÉ ELADIO SECO DOMÍNGUEZ  |                | Independent          | Coordinating Director    | 22/12/2016             | 7/5/2021              | Shareholder Resolution |
| Total number of Board members   |                |                      |                          |                        |                       | 15                     |

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

**EXECUTIVE DIRECTORS**

| Name of Board member           | Position per company organisation chart | Profile   |
|--------------------------------|---|---|
| Mr. FLORENTINO PÉREZ RODRÍGUEZ | Executive Chair                         | Born in Madrid in 1947. Degree in Civil Engineering from the Polytechnic University of Madrid. Professional career: 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 Sanitation and the Environment on the Madrid City Council, Managing Sub-Director of the Ministry of Industry and Energy, Managing Director of Transport Infrastructures of the Ministry of Transport, and Chair of the National Institute for Agricultural Reform 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 Chair of ACS, Actividades de Construcción y Servicios, S.A. He is also the President of Real Madrid.   |
| Mr. ANTONIO GARCÍA FERRER      | Deputy Chair                            | Born in Madrid in 1945. He was awarded a degree in Civil Engineering from the Polytechnic University of Madrid in 1971. Professional career: He joined Dragados as a student in 1970 and subsequently as site manager on several projects on the Spanish mainland, until he was appointed Delegate of Civil Works in Madrid and then Director of the Central Region of Dragados until 1997, when he was appointed Director of Building Works in Spain until 2001, when he became General Manager of Industrial Works and Environmental Services. In 2002 he was appointed Executive Chair of the Dragados Group until December 2003, when, following the merger with ACS, he became Executive Vice-Chair.   |
| 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. Professional career: 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 Industrial 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. and, at present, he is Director-Secretary General of the ACS Group, and Director-Secretary of its main subsidiaries (Dragados, S.A., ACS Servicios Comunicaciones y Energía, S.A. and ACS Servicios y Concesiones, S.L.), and sitting on the Supervisory Board of Hochtief AG and the Board of CIMIC Group Limited. He is a practising attorney. |

|   |         |
|---|---------|
| Total number of Executive Board members | 3       |
| % of total Board                        | 20,00 % |

## Comments

**PROPRIETARY AND EXTERNAL BOARD MEMBERS**

| Name of Board member              | Name or company name of significant shareholder represented or proposing appointment | Profile  |
|-----------------------------------|--|--|
| Ms. MARÍA SOLEDAD PÉREZ RODRIGUEZ | ROSAN INVERSIONES, S.L.  | Born in Madrid in 1943. She holds a Degree in Chemistry and a Degree in Pharmacy from the Universidad Complutense de Madrid. She has been a professor in colleges in Madrid and a technical advisor for GEBLASA, SA, a chemical products import and export company, and an associate pharmacist in the Pharmacy Office of Madrid (Oficina de Farmacia de Madrid). In addition to sitting on the board of ACS Actividades de Construcción y Servicios, SA, she also sits on those of its subsidiaries ACS Servicios Comunicaciones y Energía, SL and DRAGADOS, S.A. |
| Mr. JAVIER ECHENIQUE LANDIRÍBAR   | CORPORACION FINANCIERA ALCOR, S.L.   | Born in Isaba, Navarre in 1951. Graduate in Economic and Actuarial Sciences. Professional career: he has been a Director and General Director of Allianz-Ercos and General Director of the BBVA Group. He is currently a Director of Actividades de Construcción y Servicios (ACS) S.A. and of Grupo Empresarial ENCE S.A. He is also a trustee of the Fundación Novia Salcedo and Fundación Altuna Trusts. He is also a board member and deputy chair of Telefónica S.A.  |
| Mr. MARIANO HERNÁNDEZ HERREROS    | ROSAN INVERSIONES, S.L.  | Born in Torrelavega, Cantabria in 1943. He graduated in Medicine and Surgery from the Complutense University where he specialised in Psychiatry. Professional career: He has developed all his professional activity as a psychiatrist at the López-Ibor clinic and is the author of numerous works in scientific publications and of papers at international conferences. He has sat on the boards of the Dragados Group, Iberpistas S.A. and Autopistas AUMAR, S.A., and is currently 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 EXTERNAL BOARD MEMBERS**

| Name of Board member        | Profile  |
|-----------------------------|--|
| Mr. ANTONIO BOTELLA GARCÍA  | <p>Born in Orihuela in 1947. He holds a degree in Law from the Universidad de Murcia, and he became a State Counsel in 1974. Professional career: 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 been Professor of Law at the Instituto de Empresa at the Universidad de Oviedo and at the Universidad a Distancia de Albacete. He has been a Lecturer in Law at the Business Institute of the University of Oviedo and at the Correspondence University of Albacete. He has also sat 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.</p>   |
| Ms. CARMEN FERNÁNDEZ ROZADO | <p>She holds Licentiate in Business and Economic Sciences and in Political and Sociology Sciences from the Universidad Complutense de 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. Professional career: 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. In 2012 and 2013 she was a member of the Advisory Board of EY; a member of the Advisory Board of Beragua Capital Advisory and, since April 2015, she has been a director and member of the Audit Committee of EDP (Energias de Portugal) in Lisbon, in addition to sitting on the board of Primafrío. She 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>   |
| Mr. EMILIO GARCÍA GALLEGO   | <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 Universidad Politécnica de Catalunya. 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. 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). Professional career: Engineer for the River Policing Authority of the Eastern Pyrenees. Engineer for Fomento de Obras y Construcciones. Representative in the Catalonia region for the company 'Grandes Redes Eléctricas, S.A.' Secretary of the Ports Commission of Catalonia and Co-director of the Plan de Puertos de Catalunya. Director-General for Infrastructure and Transportation of the Galicia Regional Government. General Manager of Transport of the Catalan Regional Government. Deputy Director of the Sanitation Board and Deputy Director of the Water Board of the Regional Government of Catalonia. Director-General of Public Works of the Regional Government of Galicia and Chair of the Water Board of Galicia. Chair of the Entity Managing Railway Infrastructures, under the mandate of the Ministry of Development and in charge of building the entire High Speed railway infrastructure. Chair of the Ports of Galicia. Currently: Free practise of civil engineering.</p> |

|                                 |   |
|---------------------------------|---|
| Ms. CATALINA MIÑARRO BRUGAROLAS | Born in Spain in 1963. She holds a degree in Law awarded in 1986 by the Universidad Complutense de Madrid, and she passed the examination to become a State Counsel in 1989. Professional career: 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. 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. |
| Mr. JOSÉ ELADIO SECO DOMÍNGUEZ  | 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. Professional career: He began his professional career in 1972 in state engineering company INECO, where he held several positions until being appointed International Director. In 1988 he joined RENFE where he held various posts until in 2000 when he was appointed CEO of INECO. In 2002 he was appointed Chair and CEO of AENA, a post he held until 2004 when he was appointed Advisor to the Office of the Presidency of RENFE. He has also acted as an advisor to OCA, S.A., PROINTEC, COLLOSA, INCOSA, NATIONAL EXPRESS-ALSA and MENZIES AVIATION, and has been Chair of the Spanish consortium for the concession and operation of the high-speed Río de Janeiro-Sao Paulo-Campinas (Brazil) railroad.   |

|   |         |
|---|---------|
| Total number of independent Board members | 5       |
| Total % of the Board                      | 33,33 % |

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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.

| Director name | Description of the relationship | Reasoned statement |
|---------------|---------------------------------|--------------------|
| N/A           |                                 |                    |

### **OTHER EXTERNAL BOARD MEMBERS**

Se identificará a los otros consejeros externos y se detallarán los motivos por los que no se puedan considerar dominicales o independientes y sus vínculos, ya sea con la sociedad, sus directivos, o sus accionistas:

| Name or company name of the Board member | Reasons   | Company, executive or shareholder with whom there is a relation | Profile   |
|--|---|---|---|
| Mr. JOAN DAVID GRIMÀ TERRÉ               | Mr. Joan David GRIMÀ TERRÉ 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               | Born in 1953 in Sabadell, Barcelona. He holds a Doctorate in Economics and Business Administration from the Universidades Autónoma de Barcelona (UAB), and has also studied in the US at Baylor University and Harvard Business School. Professional career: from 1982 to 1992, he worked at McKinsey & Co., where he was a partner. From 1992 to 2010 he was the General Manager of Banco Santander. In January 2002 he was appointed as Deputy Chair and Chief Executive Officer of the AUNA Group, a position that he held, in addition to his duties at Banco Santander, until November 2005. He is a Board member of ACS, Actividades de Construcción y Servicios, S.A, and of Cory Environmental Holdings Ltd. (UK). Chair of Diaconía España. He is a Trustee of the Pluralism and Coexistence Foundation (under the mandate of the Ministry of Justice), and a Board member of Golf La Moraleja. He has sat on the Boards of companies such as Antena 3TV, Teka, Banco Santiago (Chile), Banco Tronquist (Argentina).   |
| Mr. PEDRO JOSÉ LÓPEZ JÍMENEZ             | 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               | 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 Grant). Program in Senior Business Administration (PADE) at the IESE Business School (1995-96). Awarded the Grand Cross of the Order of Isabel la Católica. Professional career: He has been: 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 Porta 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.; Member of the Board of the UNIVERSIDAD DE ALCALÁ DE HENARES; and Deputy Chair of the European Club Association (ECA). He is currently: Board member, Deputy Chair of the Executive Committee and Member of the Appointments Committee of ACS Actividades de Construcciones y Servicios S.A.; Deputy Chair of Dragados S.A.; Deputy Chair and Acting Chair of ACS Servicios y Concesiones S.A.; Deputy Chair of ACS Servicios, Comunicaciones y Energía; Chair of the Supervisory Board, of the Human Resources Committee, and of the Appointments Committee of HOCHTIEF; Member of the Board, of the Remuneration and Appointments Committee, and of the Ethics, Compliance and Sustainability Committee of CIMIC. Director and Chair of the Audit and Control Committee of ABERTIS INFRAESTRUCTURAS, S.A.; Member of the Board of Trustees and the Executive Board of the Museo Picasso Málaga; Deputy Chair of the Board of Trustees of the Royal National Library of Spain; Deputy Chair of Real Madrid Football Club. |

|                              |   |  |  |
|------------------------------|---|--|--|
| Mr. MIGUEL ROCA JUNYENT      | Mr. Miguel Roca Junyent went from being an independent board member to an external board member upon completion of the maximum term of office of 12 years.                      | ACS,<br>ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A | Born in 1940 in Cauderan, France. Degree in Law from the University of Barcelona. Doctor Honoris Causa from the Universities of Educación a Distancia, León, Girona, Cádiz, Universidad Europea de Madrid and Universidad Pontificia de Comillas, President of the Societat Econòmica Barcelonesa d'Amics del País. Life Sponsor of the Gala-Salvador Dalí Foundation. Founding Trustee of the Pro-Academy Foundation of the Royal Academy of Jurisprudence and Legislation. Member of the Board of the ACS Group since 2003. Director of Endesa (resigned in June 2021). Director of Aguas de Barcelona. Non-Director Secretary of the Board of Abertis Infraestructuras. Non-Director Secretary of the Board of Banco de Sabadell. Non-Director Secretary of TYPESA Non-Director Secretary of WERFENLIFE. Customer Ombudsman of the Catalana Occidente Group |
| Mr. AGUSTÍN BATUECAS TORREGO | Mr. Agustín Batuecas Torrego changed from being an executive director to an external director when the relationship that qualified him as an executive director was terminated. | ACS,<br>ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A | Born in Madrid in 1949. Civil Engineer. Professional career: Former CEO, Chair and Managing Director of Continental Auto S.A.; Chair and Managing Director of Continental Rail S.A. and Member of the Board of Grupo ACS Actividades de Construcción y Servicios S.A. since 1999.  |

|  |         |
|--|---------|
| Total number of external Board members | 4       |
| Total % of the Board                   | 26,66 % |

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 |
|--|----------------|-------------------|------------------|
| Mr. Agustín Batuecas Torrego             | 31/12/2021     | Executive         | Other External   |

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 |               |               |               |
|----------------|-------------------------------|----------|----------|----------|---|---------------|---------------|---------------|
|                | 2021                          | 2020     | 2019     | 2018     | 2021                                      | 2020          | 2019          | 2018          |
| Executive      | 0                             | 0        | 0        | 0        | 0,00%                                     | 0,00%         | 0,00%         | 0,00%         |
| Proprietary    | 1                             | 1        | 1        | 1        | 33,33%                                    | 33,33%        | 33,33%        | 25,00%        |
| Independent    | 2                             | 2        | 2        | 2        | 40,00%                                    | 40,00%        | 40,00%        | 40,00%        |
| Other External | 0                             | 0        | 0        | 0        | 0,00%                                     | 0,00%         | 0,00%         | 0,00%         |
| Total:         | <b>3</b>                      | <b>3</b> | <b>3</b> | <b>3</b> | <b>20,00%</b>                             | <b>18,75%</b> | <b>17,65%</b> | <b>16,67%</b> |

C.1.5 Indicate whether the company has diversity policies in relation to the Company's Board of Directors 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 2021, 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 Board Regulations 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 Appointments Committee, a policy for 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 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.

**C.1.6 Explain any measures, where appropriate, the Appointments 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:**

Explanation of the measures

Article 3.2 of the ACS's Board Regulations expressly establishes 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 Appointments 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 reject discrimination based on gender, and on the basis of age, religion, race, sexual orientation, nationality or disability'.

In this regard, the Appointments Committee promotes the inclusion of women among the potential candidates, ensuring that they have the appropriate professional profile and meet the objective criteria on merit and abilities.

The Company seeks to gradually increase the number of female and male directors and, in this regard, by reducing the number of Board members at the 2021 Annual General Meeting from 16 to 15 members, there has been an improvement in the gender balance on the Board.

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

However, since gender diversity is an essential issue taken into account in the selection processes, the Appointments Committee must also ensure other diversity criteria such as training, capacity and professional experience, which may be relevant due to the ACS Group's sectors of activity and its international nature, and must ensure that the candidates have the appropriate professional profile in accordance with the objective criteria of merit and capacity, while also assessing as a relevant criterion the candidates' prior knowledge of the Company itself, of its Group and of the sector to which it belongs, endeavouring to guarantee not only the individual suitability of the members of the Board but also the suitability of the Board and its Committees as a whole, in accordance with the legal requirements and recommendations of good governance in this respect, so that the inclusion of women may be done progressively, taking into account the plurality of diversity criteria, the suitability of the directors as a whole and the necessary stability in the governing bodies.

In this sense, the re-elections of two Board members that were submitted to the General Meeting held on 7 May 2021 must be framed within the overall framework of these criteria of suitability and diversity.

It should be noted in any case that, in the context of the reorganisation of the ACS Group, at the Ordinary General Meeting of 2021 the number of Board members was set at 15, thus increasing the percentage of female directors out of the total number of Board members and contributing to the gender balance on the Board.

As regards senior management, the percentage of female directors out of the total number of members of senior management currently stands at 14.8%, applying the various diversity criteria referred to above.

#### C.1.7 Explain the conclusions of the appointments 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 Appointments Committee to achieve an appropriate composition of the Board, and this Committee ensures compliance with the Diversity Policy. In this respect, the current composition of the Board as a whole is considered to be appropriate for the best performance of its duties, having taken into account the various suitability and diversity requirements.

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.

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   |
| COMISIÓN EJECUTIVA             | ALL POWERS THAT CORRESPOND TO THE BOARD EXCEPT FOR THOSE THAT, BY LAW OR UNDER THE ARTICLES OF ASSOCIATION, ARE NON-DELEGABLE |

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. ANTONIO GARCÍA FERRER       | DRAGADOS, S.A.                               | BOARD MEMBER                    | NO                   |
| Mr. ANTONIO GARCÍA FERRER       | ACS SERVICIOS COMUNICACIONES Y ENERGÍA, S.L. | BOARD MEMBER                    | NO                   |
| Mr. ANTONIO GARCÍA FERRER       | ACS SERVICIOS Y CONCESIONES, S.L.            | BOARD MEMBER                    | NO                   |
| 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 COMUNICACIONES Y ENERGÍA, S.L. | BOARD MEMBER/ SECRETARY         | NO                   |
| Mr. JOSÉ LUIS DEL VALLE PÉREZ   | ACS SERVICIOS Y CONCESIONES, S.L.            | BOARD MEMBER/ SECRETARY         | NO                   |
| Mr. JAVIER ECHENIQUE LANDIRÍBAR | ACS SERVICIOS COMUNICACIONES Y ENERGÍA, S.L. | 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                                  | CHAIR OF THE SUPERVISORY BOARD  | NO                   |
| Mr. PEDRO JOSÉ LÓPEZ JIMÉNEZ    | DRAGADOS, S.A.                               | DEPUTY CHAIR                    | NO                   |
| Mr. PEDRO JOSÉ LÓPEZ JIMÉNEZ    | CIMIC GROUP LIMITED                          | BOARD MEMBER                    | NO                   |
| Mr. PEDRO JOSÉ LÓPEZ JIMÉNEZ    | ACS SERVICIOS COMUNICACIONES Y ENERGÍA, S.L. | DEPUTY CHAIR                    | NO                   |
| Mr. PEDRO JOSÉ LÓPEZ JIMÉNEZ    | ACS SERVICIOS Y CONCESIONES, S.L.            | DEPUTY CHAIR AND ACTING CHAIR   | 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 listed company                   | Position     |
|--|--|--------------|
| Ms. CATALINA MIÑARRO BRUGAROLAS                  | MAPFRE, S.A.                             | BOARD MEMBER |
| Ms. CARMEN FERNÁNDEZ ROZADO                      | ENERGÍAS DE PORTUGAL (EDP)               | BOARD MEMBER |
| Ms. CARMEN FERNÁNDEZ ROZADO                      | PRIMAFRIO, S.A.                          | BOARD MEMBER |
| Mr. JAVIER ECHENIQUE LANDIRÍBAR                  | GRUPO EMPRESARIAL ENCE. S.A.             | BOARD MEMBER |
| Mr. JAVIER ECHENIQUE LANDIRÍBAR                  | TELEFONICA, S.A.                         | DEPUTY CHAIR |
| Mr. MIGUEL ROCA JUNYENT                          | AIGUES DE BARCELONA                      | BOARD MEMBER |
| Mr. JOAN-DAVID GRIMÀ I TERRE                     | CORY ENVIRONMENTAL HOLDINGS LIMITED (UK) | BOARD MEMBER |

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                        | FREE PRACTISE OF CIVIL ENGINEERING                 |
| Mr. MIGUEL ROCA I YUNJET                         | NON-DIRECTOR SECRETARY OF TYPSPA                   |
| Mr. MIGUEL ROCA I YUNJET                         | NON-DIRECTOR SECRETARY OF WERFENLIFE               |
| Mr. MIGUEL ROCA I YUNJET                         | CUSTOMER OMBUDSMAN OF THE CATALANA OCCIDENTE GROUP |
| Mr. MIGUEL ROCA I YUNJET                         | PRACTISING ATTORNEY                                |
| Mr. JOSÉ ELADIO SECO DOMÍNGUEZ                   | ADVISOR TO THE CHAIR OF RENFE                      |

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)  | 17.369 |
| Amount of funds accumulated by current directors under long-term savings schemes with consolidated economic rights (thousand euros)   | 86.474 |
| 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)                      | 0      |

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Comments

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C.1.14 Identify the Senior Executives who are not Executive Board members 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. 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. ALEJANDRO MATA ARBIDE                          | Administration 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. ENRIQUE JOSÉ PÉREZ RODRÍGUEZ                   | Natural person representing the Sole Director of Cogesa S.A.                                   |
| Mr. SANTIAGO GARCÍA SALVADOR                       | Chief Executive Officer of Dragados, S.A.  |
| Mr. LUIS NOGUEIRA MIGUELSANZ                       | Secretary General 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 MORGA                  | Manager of Spain at Dragados, S.A.   |
| Mr. JOSÉ ANTONIO LÓPEZ-MONÍS PLAZA                 | North American Director of Dragados  |
| Mr. RAMÓN ASTOR CATALÁN                            | Manager of Latin America of Dragados, S.A.   |
| Mr. FEDERICO CONDE DEL POZO                        | Manager for Europe of Dragados, S.A.   |
| Mr. JOSÉ MARÍA AGUIRRE FERNÁNDEZ                   | Sole Director of Vías y Construcciones, S.A.   |
| 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. CARLOS ROYO IBÁÑEZ                             | Operations Manager 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.   |
| Mr. RAÚL GUTIERREZ RODRÍGUEZ                       | Administration and Finance Manager of Clece, S.A.  |
| Ms. PURIFICACIÓN GONZÁLEZ PÉREZ                    | Head of Human Resources of Clece, S.A.   |
| Mr. EUGENIO LLORENTE GÓMEZ                         | Chair of ACS Servicios Comunicaciones y Energía, S.A.  |
| Mr. JOSE LUIS MARTINEZ DALMAU                      | General Manager of ACS Servicios Comunicaciones y Energía, S.A.                                |
| Mr. JOSÉ ALFONSO NEBRERA GARCÍA                    | General Manager of ACS Servicios Comunicaciones y Energía, S.A.                                |
| Ms. AÍDA PÉREZ ALONSO                              | Head of the Legal Department of ACS Servicios Comunicaciones y Energía S.A.                    |

|  |        |
|--|--------|
| Number of women in senior management positions | 4      |
| Percentage of total senior executives          | 14,8 % |

|  |        |
|--|--------|
| Total Senior Executive remuneration (thousand euros) | 23.526 |
|--|--------|

## Comments

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

| Yes | No |
|-----|----|
| X   |    |

## Description of amendments

The Spanish Promotion of Long-Term Shareholder Engagement in Listed Companies Act 5/2021 of 12 April [*Ley de fomento de la implicación a largo plazo de los accionistas en las sociedades cotizadas*], which transposed into Spanish law Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017, amended, among other regulations, the consolidated text of the Corporate Enterprises Act approved by Royal Legislative Decree 1/2010 of 2 July. On this basis, at its meeting of 16 December 2021 the Board approved the amendment of its Regulations to expressly incorporate certain matters amended in the Corporate Enterprises Act, while introducing certain technical or drafting clarifications.

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 Board Regulations. The Board comprises 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 Meeting of Shareholders 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 Appointments 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 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 Board Regulations).

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 Appointments 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 Board Regulations).

In turn, the Board must, with the collaboration and support of the Appointments 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 Board Regulations).

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 Board Regulations).

**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 Board Regulations, ACS's Board evaluates its functioning on an annual basis.

An external advisor assisted in the self-assessment process of the Board conducted in 2021 with respect to the year 2020, which included questionnaires and personal interviews with Board members.

The self-assessment process concluded that the size of the Board remains ample, although it has been progressively reduced over the last three years. The size of the Board does not hinder decision-making, as intensive preparatory work is carried out in the Executive Committee and in the Audit Committee. In this respect, the directors believe the Board has an adequate composition in view of the ACS Group's decentralised governance model.

Likewise, and in relation to the functioning of the Board and its Committees, the perception of the directors is very positive, with several of them highlighting the progress that has taken place in recent years. There is unanimous recognition of the efficiency of the Board promoted by its Chair and, especially, the work carried out by the Secretary of the Board, and it is particularly noted that the directors have easy and regular access to the executive directors and the top managers, and the executive directors and senior managers are available to deal with any doubts or questions that the directors may have.

On the other hand, the assessment of 2021, which includes questionnaires and personal interviews with the members of the Board, is currently in progress. In any case, the result of the assessment will be reported in next year's Annual Corporate Governance Report.

**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 evaluation of its functioning and of that of its Committees (Executive Committee, Audit Committee, Appointments Committee and Remuneration Committee), in which each director fills out an extensive written survey sent by the Secretary of the Board to all its members and to those of the respective Committees. After that, the results, the evolution of their perception of the Board and its Committees and the measures to be adopted, if any, to improve their functioning are discussed individually with each of the members of the Board.

As noted above, an external advisor assisted in the self-assessment process of the Board conducted in 2021 with respect to the year 2020, which included questionnaires and personal interviews with Board members. 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. As a result of the self-assessment process, a work plan was developed to make progress on the various areas of improvement identified by the directors.

Likewise, the 2021 evaluation process, currently underway, includes having the directors fill out questionnaires and personal interviews with the members of the Board. In any case, the result of the process will be reported in next year's Annual Corporate Governance Report.



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 external consultants who collaborated in the Company's evaluation process do not have personal or family relationships with the Company's directors, nor are they significant shareholders, nor are there any conflicts of interest that could undermine their objectivity.

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

Under Article 13 of the Board Regulations, proprietary directors must resign from the Board when the shareholder they represent fully disposes of its shares by any title.

Similarly, under Article 14 of the Board Regulations, they 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 Appointments 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 Articles of Association or the Board Regulations set any age limit for Board members:

| Yes | No |
|-----|----|
|     | X  |

C.1.23 Indicate if the Articles of Association or the Board Regulations establish a limited mandate 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 Articles of Association or the Board Regulations 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 Board Regulations, 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 Board members 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                                      | 8 |
| Number of board meetings without the presence of the chairman | 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 | 0 |
|--------------------|---|

Indicate the number of meetings held during the year by the different board committees:

|   |    |
|---|----|
| Number of executive committee meetings    | 11 |
| Number of audit committee meetings        | 6  |
| Number of appointments committee meetings | 1  |
| Number of remuneration committee meetings | 1  |

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   | 8     |
| In person attendance as a % of the total votes during the year   | 98,37 |
| Number of meetings attended by all directors in person or by proxy with specific instructions            | 7     |
| % of votes cast in person and by proxy with specific instructions out of the total votes during the year | 98,37 |

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 | DIRECTOR GENERAL CORPORATIVO |

C.1.28 Explain any mechanisms established by the Board so that the financial statements submitted by the Board to the shareholders at the General Meeting are prepared in accordance with accounting regulations.

As established in Article 25 of the Board Regulations, the Audit Committee will meet as many times as convened by its Chair and, in any case, it must coincide with the initial and final phases of the audit of the Company's financial statements and the consolidated financial statements of its Group of Companies, before the issuance of the corresponding auditors' reports, and upon the process of preparing financial reporting packages which must be made public by the Company.

The Company's Auditor attends the Audit Committee meetings when expressly convened to present the most significant aspects of the audits carried out, 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 Board Regulations.

Regarding the auditor, Article 25 of the Board Regulations 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 event, the Audit Committee must obtain from the external auditor, its annual statement of independence in relation to the company and other entities directly or indirectly related to it, and information on any additional services of any kind provided and the fees received by the external auditor or by any persons or entities related with it, in accordance with the prevailing laws governing financial auditing.

Regardless of the above, 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 making proposals to the Board as regards the selection, appointment, re-selection or replacement of the external auditor, while undertaking the selection process, and the conditions of the respective contracting, for which purpose 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  |

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 | Group companies | Total  |
|--|---------|-----------------|--------|
| Amount of other non-audit work (thousands of euros)            | 424     | 960             | 1.384  |
| Amount of other non-audit work/ Audit services amount (as a %) | 202,9 % | 12,8 %          | 17,9 % |

Comments

C.1.33 Indicate whether the Auditors' report on the financial statements for the previous year had any reservations. 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 | 3        | 3            |

|   | Separate | Consolidated |
|---|----------|--------------|
| Number of years audited by current auditing firm /Number of years that the company or its group has been audited (as a %) | 9,38%    | 9,38%        |

Comments

B.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 Board Regulations).

Without prejudice to the above right to information, directors are also entitled to seek external advice when they consider it necessary for the proper performance of their duties, expressly envisaged in the Board Regulations as regards Board Committee members (Articles 25, 27 and 28), which must be understood as generally applicable to all Board members in relation to the exercise of their duties. 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 Board Regulations regulate the general duties of care and loyalty of directors in exercising the functions inherent to their position. In particular, Article 14.2(f) stipulates that directors 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 Appointments 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 take the necessary measures to avoid incurring in situations in which their interests may conflict with the Company's corporate interests and their duties to the Company.

In accordance with the above, Article 15(3) of the Board Regulations specifies the obligation for directors to report to the Board any direct or indirect conflicts of interest that they or persons related to them may have with the Company's interest.

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 issue by ACS, Actividades de Construcción y Servicios, S.A., on 8 June 2020, under its Euro Medium Term Note Programme (EMTN) bond issue programme, which was approved by the Central Bank of Ireland, of notes in the Euromarket amounting to EUR 750 million. This issue with a maturity of five years was disbursed on 17 June 2020 and has an annual coupon of 1.375%. The Notes are listed on the Irish Stock Exchange.

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 is considered to have been informed of the clauses to the extent mentioned in the Annual Remuneration Report submitted for consultative approval by the Annual General Meeting. Directors, both executive and non-executive, are not entitled to compensation if their duties as such directors are terminated.

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   |    |

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Comments

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## 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             |              |                |
|---------------------------------|--------------|----------------|
| Nombre                          | Position     | Category       |
| Mr. FLORENTINO PÉREZ RODRÍGUEZ  | CHAIR        | Executive      |
| Mr. PEDRO JOSÉ LÓPEZ JIMÉNEZ    | DEPUTY CHAIR | Other External |
| Mr. ANTONIO GARCÍA FERRER       | BOARD MEMBER | Executive      |
| Mr. JAVIER ECHENIQUE LANDIRÍBAR | BOARD MEMBER | Proprietary    |
| Ms. CARMEN FERNÁNDEZ ROZADO     | BOARD MEMBER | Independent    |

|                                |     |
|--------------------------------|-----|
| % Executive Board members      | 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 Articles of Association 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 Articles of Association, 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 Articles of Association or the Board Regulations 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 Board Regulations regarding its operation.

In 2021, the Executive Committee met 11 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.

| <b>Audit Committee</b>            |              |             |
|-----------------------------------|--------------|-------------|
| 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 Board members      | –   |
| % 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 Articles of Association 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 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 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.

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 department that undertakes the internal audit; propose the selection, appointment and removal of the head of the internal audit department; propose the budget for the service; approve its guidance and the annual audit work plan, while ensuring that its activities are directed principally towards key risks (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 annually assess the performance of the internal audit department, and the performance of the duties by the respective individual in charge of it.

g. To establish and oversee a whistle-blowing mechanism that lets employees and others related to the Company, such as Board members, suppliers, contractors and subcontractors, confidentially report any potentially significant violations, including those of a financial or accounting nature, or of any other nature, in relation to the Company that they may observe in the Company and its group, by receiving periodic reports on its performance, while having the power to suggest timely actions for improvement and to reduce the 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.

j. 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 make proposals to the Board as regards the selection, appointment, re-selection or replacement of the external auditor, while undertaking the selection process, and the conditions of the respective contracting, for which purpose 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 event, the Audit Committee must obtain from the external auditor, its annual statement of independence in relation to the company and other entities directly or indirectly related to it, and information on any additional services of any kind provided and the fees received by the external auditor or by any persons or entities related with it, in accordance with the prevailing laws governing financial auditing.

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 through the CNMV, and to ensure that it is accompanied by a statement as regards the possible existence of disagreements with the outgoing auditor, if any, 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 connected-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 to the Board on all matters where so required by Law, the Articles of Association and the Board Regulations, in particular as regards:

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
1. 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:

- 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.
- 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 specifically 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 to the Board attends the Committee's meetings, acts as its Secretary, with entitlement to participate 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 2021, the Audit Committee met six times and carried out, amongst 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 the periodic financial information, the Audit Committee reviewed all quarterly financial information before its submission to the Spanish Securities and Exchange Commission ('CNMV'), and that which is published under '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 25 February and 31 March 2021, with the active presence of the external auditors and that of the Corporate General Manager, examined the individual and consolidated financial statements for 2020 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 2020, in its meeting of 31 March 2021, the Committee examined the non-financial information included in the 2020 Directors Report.

Also, in regards to the individual and consolidated financial statements for the first quarter and the first half of 2021, the Audit Committee in its meetings held on May 13 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 11, the Audit Committee examined and issued a favorable opinion on the individual and consolidated financial statements for the first three quarters of 2021.

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. In particular, at its meeting held on 25 February, the Audit Committee reported favourably on the Group's Risk Map prepared with the assistance of an external advisor.

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 foregoing, during the 2021 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 held on 31 March, the Audit Committee approved the 2020 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 2020 tax expense and the ACS Group's tax situation.

Likewise, at the meeting held on 16 December 2021, the Director of the Tax Department presented the 2020 Tax Transparency Report to the Committee.

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 organizational structure as a body reporting hierarchically to the General Management and functionally to the Audit Committee of the Board of ACS.

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 General Management.

Annually, 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 prepared during the year, and an update on the main significant aspects and recommendations contained in the various reports.

In the meeting of the Audit Committee held on 25 February 2021, the Corporate Internal Audit Department, within the framework of its functions, submitted the 2020 Internal Audit Activities Report and the Internal Audit Plan for the 2021 period to the Audit Committee.

Likewise, during the 2021 period, the Corporate Internal Audit Department presented to the Audit Committee, at the meetings held on 25 February, 13 May, 27 July and 11 November, a summary of the reports prepared and the status of the internal audits of the respective business areas. The reports submitted to the Committee also included the conclusions of all the internal audits.

d) In relation to the External Auditor.

In compliance with the functions that have been attributed in relation to the external auditor, 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 before their approval, and before the meeting held by the Board to prepare both the full annual individual financial statements of the Company and those of its consolidated Group. The external auditor was present at the meetings of 13 May and 27 July and reported on the main characteristics of those financial statements.

Moreover, at the meeting of 16 December, the external auditor presented the 2021 Audit and Strategy Plan.

In compliance with the exercise of its functions, during the 2021 period, the Audit Committee also ensured the independence of the External Auditor in the performance of its duties, having established the appropriate relations with it in order to ensure that they have not incurred cases of incompatibility or abstention, and prohibitions, and that any threat to its independence was adequately identified and evaluated, applying, where appropriate, the adequate measures to safeguard against such an occurrence.

Within the framework of the provisions of Article 25 of the Board Regulations, at the meeting of the Audit Committee on 31 March 2021, the external auditor of the Company informed the Audit Committee of its statement of independence, which contained:

The Audit Committee has not been aware, either through its internal procedures or through the communications from its auditor, of any aspect that has posed a significant threat to the auditor's independence.

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

Within the framework of the duties assigned to it for the oversight of the compliance with corporate governance rules, the Audit Committee at the 31 March 2021 session reviewed and unanimously agreed to report favourably on the Annual Corporate Governance Report for the 2020 period.

Likewise, within the framework of the entry into force of Law 5/2021, at its meeting on 16 December 2021, the Audit Committee reported favourably on the proposed amendment to the Board Regulations for the purpose of, inter alia, introducing a new article on connected-party transactions, modifying the conflict of interest rules and the dispensation rules or adapting the powers of the Audit Committee, the Appointments Committee and the Remuneration Committee to Law 5/2021, and on the amendment of the auditor's independence policy and the approval of the Corporate Governance Policy.

Within the framework of the Audit Committee's function of supervising and monitoring the ACS Group's Compliance, the Committee reported favourably at its meeting of 31 March on the Annual Monitoring Report of the Compliance Committee and at its meeting of 27 July 2021, it resolved to take note of the second quarter 2021 report on the activities of the Compliance Committee.

Furthermore, the Committee approved, within the framework of the function of supervising compliance with internal codes and the sustainability policy at the meeting held on 27 July 2021, an update to the ACS Group's Code of Conduct. Likewise, at the proposal of the CISO and in performance of the Cybersecurity Plan, the Committee approved the 2021-23 Information Security Master Plan and amended the Information Security Policy. The Committee also approved the new Whistleblower Channel Operating Policy, thus eliminating the Code of Conduct Monitoring Committee and its Regulations and assigning its powers to the Compliance Committee.

In line with the above, at the above meeting held on 27 July 2021, the Committee approved the amendment of all the organisation's policies on the functioning of the Whistleblower Channel; and the amendment of the Criminal Compliance and Anti-Bribery Policy.

On the other hand, at the meeting held on 16 December 2021, the Sustainability Master Plan, prepared with the advice of an independent external advisor, was presented to the Committee.

Lastly, at its meeting of 16 December 2021, the Committee reported favourably on the Compliance Committee's 2021 proposal.

g) In relation to the monitoring of the action plans of the Committee itself.

Article 9 of the Board Regulations 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 in the session on 31 March, the Chair of the Committee submitted the Report on the Committee's activities during the 2020 period for consideration.

h) In relation to other functions of the Committee.

At its meeting of 16 December 2021, 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 7 May 2021.

Indicate the Board members appointed to a seat on the Audit Committee in view of their knowledge and expertise in accounting and audit matters or both, and indicate the date that the audit committee chair was appointed to this position.

|   |  |
|---|--|
| Name of directors with experience       | Ms. CARMEN FERNÁNDEZ ROZADO, Ms. CATALINA MIÑARRO BRUGAROLAS and Mr. JOSÉ ELADIO |
| Date of chair's appointment to position | 31/03/2021   |

| Appointments Committee          |              |                |
|---------------------------------|--------------|----------------|
| Name                            | Position     | Category       |
| Ms. CATALINA MIÑARRO BRUGAROLAS | CHAIR        | Independent    |
| Mr. JAVIER ECHENIQUE LANDIRÍBAR | BOARD MEMBER | Proprietary    |
| Ms. CARMEN FERNÁNDEZ ROZADO     | BOARD MEMBER | Independent    |
| Mr. JOAN DAVID GRIMÀ TERRÉ      | BOARD MEMBER | Other External |
| Mr. MARIANO HERNÁNDEZ HERREROS  | BOARD MEMBER | Proprietary    |
| Mr. PEDRO LÓPEZ JÍMENEZ         | BOARD MEMBER | Other External |

|                                |        |
|--------------------------------|--------|
| % Executive Board members      | –      |
| % Proprietary Board members    | 33,33% |
| % Independent Board members    | 33,33% |
| % Other External Board members | 33,33% |

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 Articles of Association or other corporate resolutions.

In relation to the composition of the Board:

a. To evaluate the capabilities, expertise and experience required by the Board. For these purposes, the Appointments and Remuneration Committee will define the necessary skills and abilities of the candidates to cover any vacancy and will evaluate the time and dedication required to discharge the related duties effectively, ensuring that non-executive Board members have sufficient time available to perform their duties properly.

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. To propose the diversity policy to the Board based on the criteria of age, disability, education, professional experience: and gender, among others, establishing the objectives.

c. To verify the Board members' categories each year.

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 General Meeting, and proposals for the re-election or removal of those Board members by the 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 those Board members by the General Meeting.

f. To make proposals for the appointment or removal of Senior Executives, especially those who will form part of the Group's Management Committee, and to propose the basic conditions of their contracts, in coordination, where necessary, with the Remuneration Committee.

g. To periodically verify the criteria for selecting Board members.

In relation to Board members' 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 make proposals, where necessary, for the appointment of the Coordinating Board member.

k. To examine and organize the succession of the Chair 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.

Other duties:

l. To lead, in coordination with the Chair of the Board and with assistance from the coordinating Board member where applicable, the Board's annual evaluation of its functioning and composition, its Committees and the Board members of the Company.

m. To periodically design and organise knowledge update programmes for the Board members, in coordination where 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 Board Regulations relating to the functioning of the Board will apply to the functioning of the Appointments Committee.

The Appointments 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 participate 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 2021 the Appointments Committee met on one occasion, having taken decisions in the various areas under its competence. The Appointments Committee performed significant activities during the 2021 period including:

As regards the appointment or re-election of Board members who are Independent Directors, it is the Appointments Committee's role to make proposals for the appointment of Board members by co-option or by approval at the General Meeting, and proposals for the re-election or removal of such Board members by the General Meeting.

As part of this duty to inform, in its meeting of 31 March 2021, the Appointments Committee resolved, with the abstention of the Members affected in each case, to issue a favourable report on the re-election proposals to ACS's General Meeting for Carmen Fernández Rozado and José Eladio Seco Domínguez as Independent Directors.

The Appointments Committee also reported favourably on the Company's 2020 Annual Corporate Governance Report and on the Committee's 2020 Activities Report.

| <b>Remuneration Committee</b>     |              |                |
|-----------------------------------|--------------|----------------|
| Name                              | Position     | Category       |
| Mr. ANTONIO BOTELLA GARCÍA        | CHAIR        | Independent    |
| Mr. EMILIO GARCÍA GALLEGRO        | BOARD MEMBER | Independent    |
| Ms. MARÍA SOLEDAD PÉREZ RODRÍGUEZ | BOARD MEMBER | Proprietary    |
| Mr. MIGUEL ROCA JUNYENT           | BOARD MEMBER | Other External |
| Mr. JOSÉ ELADIO SECO DOMÍNGUEZ    | BOARD MEMBER | Independent    |

|                                |     |
|--------------------------------|-----|
| % Executive Board members      | –   |
| % Proprietary Board members    | 20% |
| % Independent Board members    | 60% |
| % Other External Board members | 20% |

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 Articles of Association 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 Executive Board members, 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 conditions of executive directors, and to propose the basic conditions of the contracts of senior executives as regards remuneration, in coordination, as necessary, with the Appointments Committee, verifying that they are consistent with current remuneration policies.

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 participate 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 provisions of the Company's Articles of Association or the Board Regulations regarding the operation of the Board.

In 2021 the Remuneration Committee met on one occasion, having taken decisions in the different areas within its scope. Among other matters,

At its meeting of 31 March 2021, the Remuneration Committee reported favourably on the 2020 Annual Report on the Board's Remuneration, prepared in compliance with the provisions of section 541 Corporate Enterprises Act and in the format approved by the CNMV for these proposes.

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 tax regime applicable to pension contributions and analysed the effects of this on the remuneration of Group directors.

The Committee reported favourably on the amendment of the ACS, Servicios Comunicaciones y Energía Board Resolution of 17 January 2019 to adapt it to the new applicable tax regime.

Also, pursuant to Article 28.11 of the Board Regulations, the Committee passed the 2020 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 close of the last four years.

|                        | Number of women Board members |        |        |        |        |        |        |         |
|------------------------|-------------------------------|--------|--------|--------|--------|--------|--------|---------|
|                        | 2021                          |        | 2020   |        | 2019   |        | 2018   |         |
|                        | Number                        | %      | Number | %      | Number | %      | Number | %       |
| Executive Committee    | 1                             | 20,00% | 1      | 16,67% | 0      | 0,00%  | 0      | 0,00%   |
| Audit Committee        | 3                             | 60,00% | 3      | 60,00% | 3      | 60,00% | 3      | 60,00%  |
| Appointments Committee | 2                             | 33,33% | 2      | 33,33% | 2      | 28,57% | 2      | 28,57%  |
| Remuneration Committee | 1                             | 20,00% | 1      | 20,00% | 1      | 20,00% | 1      | 16,67 % |

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 Articles of Association and Articles 23 to 28 of the Board Regulations. Both documents are available on the corporate website, [www.grupoacs.com/gobierno-corporativo](http://www.grupoacs.com/gobierno-corporativo).

The Board Regulations were amended by the Board on 16 December 2021 to essentially adapt them to the reform introduced by Law 5/2021, of 12 April, amending the Consolidated Text of the Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010, of 2 July, and other financial rules, as regards promoting the long-term engagement of shareholders in listed companies.

In 2021 the annual reports on the activities of the Audit, Appointments and Remuneration Committees were prepared voluntarily, which were made available to shareholders on the ACS website when the Annual General Meeting was called

## D. CONNECTED-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 connected-party transactions whose approval has been delegated by the Board.***

Under Article 18 of the Board Regulations, 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 ('Connected-Party Transactions'), unless they must be approved by the General Meeting. The General Meeting will approve Connected-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 Connected-Party Transactions, and it may not delegate this competence except for Connected-Party Transactions between Group companies that are carried out in the field of ordinary management and on an arm's length basis, and Connected-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 Connected-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 connected party, and report on the assumptions on which the assessment is based and the methods used.

***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 of shareholder or of any of its subsidiaries | % Ownership | Name of company or of any of its subsidiaries | Nature of the relationship | Type of transaction and other information necessary for its assessment | Amount (thousands of euros) | Body that approved it | Identification of significant shareholder or director that abstained | Proposal to the Board, if any, passed by the Board without a majority of independent directors voting against it. |
|---|-------------|---|----------------------------|--|-----------------------------|-----------------------|--|---|
|   |             |   |                            |  |                             |                       |  |   |

### Comments

No transactions were carried out that could be considered significant in terms of their amount or relevant subject matter.

**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 of the directors or officers or of their controlled or jointly controlled entities | Name of company or of any of its subsidiaries | 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 who abstained | Proposal to the Board, if any, passed by the Board without a majority of independent directors voting against it. |
|---|---|--------------|--|-----------------------------|-----------------------|---|---|
|---|---|--------------|--|-----------------------------|-----------------------|---|---|

Comments

In 2021, in accordance with the criteria established by law and in the Company's internal corporate rules, no connected-party transactions were approved.

**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 connected 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:**

| Corporate name of the group entity | Brief description of the transaction and other information necessary for its assessment | Amount (thousands of euros) |
|------------------------------------|---|-----------------------------|
|------------------------------------|---|-----------------------------|

Comments

In 2021, in accordance with the criteria established by law and in the Company's internal corporate rules, no connected-party transactions were approved. In 2021, no intragroup transactions were carried out with entities established in countries or territories considered to be tax havens.

**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.**

| Connected party name | Brief description of the transaction and other information necessary for its assessment | Amount (thousands of euros) |
|----------------------|---|-----------------------------|
|----------------------|---|-----------------------------|

Comments

Not applicable

**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 Board Regulations specifically regulates the duty to prevent conflicts of interest and 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 Connected-Party Transactions.
- ii. Using the Company's name or invoking the condition of Board member in order 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 abstention obligation also applies if the beneficiary of the acts or activities is a person related to the Director. The following will be considered persons connected to Directors:

- i. A Board member's spouse or persons with a like affective relationship.
- ii. The ancestors, descendants and siblings of any Board members and of their spouses.
- 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 current 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'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.

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 Code of Good Governance 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.

Section 5.1 of the Policy identifies all the risks included in the financial and non-financial analysis methodology, and section 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 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.

Likewise, at its meeting held on 25 February 2021, the Board approved the update of the ACS Group's General Risk Map in compliance with Recommendation 45 of the Code of Good Governance of listed companies. The defined risks, which were a total of 40, are classified as follows:

- i. 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.
- ii. Operational: Risks associated with the activities carried out by the Group, including all risks related to processes and operations.
- iii. 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.
- iv. Legal, criminal and anti-bribery: Risks arising from non-compliance or lack of oversight and monitoring of regulations applicable to the Group across the 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.
- v. 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.
- vi. Environmental: Risks linked to potential environmental impacts, including climate change, which could cause harm to society, the environment and the Group, loss of competitiveness, compensation and reparations or could halt works, services or projects in progress.

vii. 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.

viii. 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.

ix. 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. They are assessed in terms of probability, rating their impact as high, medium and/or low.

Finally, it should be noted that in the Map, in accordance with the risk management methodology, the rating 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 other words, the aim is to expose those risks of concern to the Group as high/high risks, both in terms of their probability and their impact.

A review the Risk Map was considered necessary, to allow a detailed analysis of the specific risks derived from climate change. The aim was to do this without requiring any changes to the classification used for the rest of the risks subject to ongoing monitoring by the ACS Group. After an exhaustive analysis, it was possible to identify the potential short-term, medium-term, and long-term risks derived from climate change, as 11 transitional risks (divided into legal, market, technological, and reputational risks) and 6 physical risks (divided into acute and chronic risks).

Accordingly, Article 25(6)(h) of the Board Regulations, amended on 16 December 2021 to adapt them to the Spanish Promotion of Long-Term Engagement of Shareholders in Listed Companies Act [Ley de fomento de la implicación a largo plazo de los accionistas en las sociedades cotizadas], stipulates, in dealing with the functions of the Audit Committee in relation to the supervision of risk management and control, that it will be the responsibility of this Committee to supervise and assess 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 and reputational risks and risks related to corruption. Accordingly, Article 26 of the Board Regulations 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 relations processes with the different stakeholders.

## 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 Hochtief, A.G., which is a company listed on the German securities market, and that in turn has a majority shareholding in CIMIC, which in turn is listed on the Australian securities market. Both companies have implemented their own risk and internal control management system in accordance with the laws regulating these companies. These companies and the subgroup of which they are dominant companies also have their own Audit Committees with functions similar to those of ACS. Therefore, the ACS Group's General Risk Management and Control Policy affects those activities carried out by Hochtief or CIMIC, to the extent that they are 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 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.

### ***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 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 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 Management Committee--which is made up of the Chair of the Board and CEO, the Deputy Chair of the Board, the Corporate General Manager, the Secretary General and the Chief Executive Officer

for Industrial Services--defines the basic guidelines, the framework for action and establishes the management, monitoring and reporting mechanisms that ensure the maintenance of risks within the levels approved by the ACS Board.

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 Board's Audit Committee, develops, implements and supervises the functioning and operational effectiveness of the general compliance management system of the ACS Group, covering the areas of criminal compliance and anti-bribery, market abuse, Human Rights, 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 new Corporate Governance Policy approved by the Board on 16 December 2021 thus stipulates that the Company has equipped itself with a Global Compliance Management System to implement a model that, respecting the Group's highly decentralised management structure, allows the Audit Committee of the Board of the Spanish listed parent company to monitor 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 and reputational or corruption-related risk management systems, and compliance with the parent's duty of care as regards its subsidiaries through a dual risk control system in the various compliance areas. 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 and sanctions in the Parent. Each division in 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 Parent's Compliance Committee to observe the high level of decentralisation and autonomy in management by 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:

- a) Implementation and development of a homogeneous reporting 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 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 risks materialised or carried out, 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.).

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 standardised reporting system at the group level makes it possible to argue that the Parent has due control over its subsidiaries to avoid the Parent's liability, promoting the adoption of their own compliance management systems in subsidiaries.

This model provides the advantage that, by respecting the management characteristics of the ACS Group, it allows a double line of defence since, even if it can be concluded that the model or system of the subsidiary is not effective or appropriate, it could be argued that that of the Parent is effective and, therefore, there is a separate additional defence argument aside from defending the compliance management system of the subsidiary that advocates demarcating the responsibility of the Parent from that of the subsidiary.

For these purposes, a tool designed in 2019 was corrected and enhanced in 2020 and 2021, called GLOBAL COMPLIANCE REPORT, which includes the following sections:

- I. Criminal compliance and anti-bribery 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. Breaches, analyses and corrective actions
- IX. Defence of Competition
- X. Cybersecurity
- XI. Sustainable finance
- XII. Human Rights
- XIII. Taxes

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.

### 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.

### General Management

The General Management Department is in charge of preparing the ACS Group's framework for action in order to standardize 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 significant decisions as regards 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.

### 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 envisages the identification of the significant risks to which the Group may be exposed.

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 processes and operations.

- **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, including climate change, which could cause harm to society, the environment and the Group, loss of competitiveness, compensation and reparations or could halt works, services or projects in progress.
- **Political:** Risks associated with political changes that may affect legal certainty and the legal framework applicable to the Group's business.
- **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.
- **Corruption-related:** Risks related to the Parent obtaining an undue advantage of any value (which may be of a financial or non-financial nature) directly or indirectly, in violation of applicable regulations.
- **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 risk limits that may be assumed by each business in accordance with its characteristics and expected return, 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.

General Management is responsible for adding all the risks identified, and those identified by business managers 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         |

### ***E.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 risks inherent to the business model and the different activities carried out by the ACS Group are likely to materialise to some extent throughout each year. These risks are mitigated thanks to the monitoring and tracking carried out by the different governing bodies of the Group based on their significance.

In relation to 2021, the most significant risks materialised in the ACS Group were basically those arising from the coronavirus pandemic (COVID-19).

On 11 March 2020, the World Health Organization declared the Coronavirus COVID-19 outbreak to be a pandemic, due to its rapid spread around the world, affecting more than 150 countries. This situation is still having a substantial impact on the global economy due to the interruption or slowdown of supply chains and the significant increase in economic uncertainty, reflected in increased volatility of asset prices and exchange rates and a reduction of long-term interest rates.

In Australia, as part of the government's response to pressure from the delta variant of COVID-19, temporary lockdowns occurred in New South Wales, Victoria and New Zealand in the third quarter of 2021.

The financial earnings include the impact on revenues and margins from the lockdowns and are reflected in the financial results of the year. COVID-19 related costs have been recovered from customers or mitigated through cost reduction strategies.

Although most of the ACS Group's operations were classified as essential services with a business continuity approach, the coronavirus pandemic has affected its contracting activity, causing delays in the award of new works or services and a slowdown in income in all our activities, both domestic and in the other countries where it operates.

To increase their liquidity reserves during the COVID-19 pandemic, the various ACS Group companies agreed to new credit facilities in 2020 or drew down from them in the different countries in which it operates. In 2021, ACS, Actividades de Construcción y Servicios, S.A. maintained liquidity levels in excess EUR 2.7 billion. Hochtief and Cimic also issued bonds in 2021 amounting to EUR 500 million and EUR 625 million over a period of 8 years respectively, which made it possible to strengthen the Group's financial position.

As the pandemic continues to evolve, the ACS Group continues to monitor the impact that COVID-19 may have on the operational and financial performance of the activities of the various divisions comprising the ACS Group. Although the current situation caused by the COVID-19 pandemic raises uncertainty as to how the markets will perform and develop, the Group is highly diversified in terms of its activities and location in developed regions with stable political frameworks, and has a very significant backlog amounting to EUR 67,262 million, equivalent to approximately 26 months considering the current rate of sales.

Lastly, it should be noted that Group's directors and management are constantly monitoring how the situation is developing in terms of both financial and non-financial considerations.

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 non-financial and corporate risk detection and management, in 2021 the Compliance Committee carried out various corrective actions in aspects related to, among others, criminal and anti-bribery, information security, competition protection and operational 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 Board Regulations of ACS, Actividades de Construcción y Servicios, S.A., the last valid version of which is from 16 December 2021, 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 Board Regulations 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 current 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 'the preparation of the financial statements and their presentation to the General Meeting' and 'the determination of the risk management and control policy, including tax risks, and the supervision of internal information and control systems' and 'the supervision of 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 Management Department 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 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 Board Regulations, 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 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.

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 department that undertakes the internal audit; propose the selection, appointment and removal of the head of the internal audit department; propose the budget for the service; approve its guidance and the annual audit work plan, while ensuring that its activities are directed principally towards key risks (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 annually assess the performance of the internal audit department, and the performance of the duties by the respective individual in charge of it.

c) To establish and oversee a whistle-blowing mechanism that lets employees and others related to the Company, such as Board members, suppliers, contractors and subcontractors, confidentially report any potentially significant violations, including those of a financial or accounting nature, or of any other nature, in relation to the Company that they may observe in the Company and its group, by receiving periodic reports on its performance, while having the power to suggest timely actions for improvement and to reduce the risk of such violations occurring 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.

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, Hochtief A.G., which forms part of the ACS Group as an investee, lists its shares on the German stock market and, in turn, has a majority ownership interest in Cimic Group Limited, which in turn lists its shares on the Australian stock market. Both companies have implemented their own risk management and internal control over financial reporting systems in accordance with applicable legislation. Additional information on these systems can be found in their 2021 annual reports and is available at [www.hochtief.com](http://www.hochtief.com) and [www.leighton.com.au](http://www.leighton.com.au) respectively.

F.1.2 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 Board Regulations, the Appointments Committee under this Board is responsible for, inter alia, reporting on nominations and dismissals of Senior Executives, particularly those who are to be a member of the Group's Management Committee, and for proposing the basic conditions of their contract.

General Management, in the case of ACS, Actividades de Construcción y Servicios, S.A., 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.**

Among the targets met by the Compliance Committee in 2021 was the update of the ACS Group Code of Conduct approved by the Board on 27 July 2021.

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, whistleblower protection, organisation governance, competition law, cybersecurity, sustainable development objectives and sustainable finance.

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 Liability - are also reflected in the Code of Conduct for Business Partners, which applies to the ACS Group's relations with third parties. Both rules are accessible at the corporate website.

The Code was published on the intranet and on the corporate website on 27 July 2021 together with an explanatory video, and was taught to all members of the organisation.

Both Hochtief AG, and the parent company of its Cimic subgroup, Cimic Group Limited, are companies listed on the Frankfurt (Germany) and Australian stock exchanges, respectively, and they are therefore subject to their own regulatory bodies' rules and have both their own Codes of Conduct and their own internal channels for complaints and control, under similar terms 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 and the Cimic 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. Each division in 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 Parent's Compliance Committee to observe the high level of decentralisation and autonomy in management by 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 2021. It was approved by the Compliance Committee on 3 March 2022 and will be reported to the Audit Committee at its meeting on 24 March 2022.

In 2021, ACS, Actividades de Construcción y Servicios, S.A., once again obtained the certifications issued by AENOR (Asociación Española de Certificación y Normalización) of its Crime Prevention Model in accordance with UNE 19601 'Criminal Compliance Management System' and UNE-ISO 37001 'Anti-Bribery Management Systems,' which were previously obtained in 2018 and renewed in 2019 and 2020.

**Whistle-blowing channel, for reporting to the Audit 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 anonymous reports can be filed respecting the rights of the accused and the accuser.**

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 potential infringement in a professional context with the ACS Group, and to that of all Group interlocutors and stakeholders, enabling 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.

In 2021 there were new developments in how the Whistleblower Channel is managed and accessed. On 27 July 2021, the Board approved the ACS Whistleblower Channel Operation Policy that repealed the Code of Conduct Monitoring Committee, attributing its functions to the Compliance Committee, 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. Moving forward makes the Code of Conduct Monitoring Committee unnecessary, which was created before the establishment of the ACS Global Compliance Management System, thus avoiding unnecessary redundancies with the current tasks of the Compliance Committee and helping to have a model to manage doubts and complaints that is clear, simple and effective.

- 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. It 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.

The 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 implementing the Whistleblower Channel Operating Policy:

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

In relation to the objective for 2021 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, both Hochtief AG, and the parent company of its Cimic subgroup, Cimic Group Limited, are companies listed on the German and Sydney stock exchanges, respectively, and they are therefore subject to their own regulatory bodies' rules and have both their own Codes of Conduct and their own internal channels for complaints and control, under similar terms 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 and the Cimic 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                    | 900 876 841       |
| United States of America | 833 7781 528      |
| Canada                   | 833 7781 528      |
| France                   | 0 800 99 08 46    |
| United Kingdom           | 0 800 077 3019    |

In 2021, 8 complaints files were opened in the Whistleblower Channel of ACS, Actividades de Construcción y Servicios, S.A., of which only one is in progress. In addition, numerous queries and complaints were received on the whistleblower channels of each of the Group's divisions. Considering all the Group's whistleblower channels, with the exception of Hochtief, A.G. and Cimic Group Limited, in 2021 191 reports were received, giving rise to the opening of the corresponding files, 4 of which were in processing at year-end. Complaints and queries from different countries throughout the world have mostly been reported 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 2021 throughout the entire ACS Group over 14,000 hours of training courses in finance, accounting rules, consolidation, auditing, internal control and risk management were given, attended by approximately 2,400 employees. In 2021, as a result of the COVID-19 pandemic, the use of electronic means and the webinar format for staff training was maintained.

## ***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 an update to the 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 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 Code of Good Governance of listed companies modified 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 processes and operations.
- 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, including climate change, which could cause harm to society, the environment and the Group, loss of competitiveness, compensation and reparations or 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.

A review the Risk Map was considered necessary, to allow a detailed analysis of the specific risks derived from climate change. The aim was to do this without requiring any changes to the classification used for the rest of the risks subject to ongoing monitoring by the ACS Group. After an exhaustive analysis, it was possible to identify the potential short-term, medium-term, and long-term risks derived from climate change, as 11 transitional risks (divided into legal, market, technological, and reputational risks) and 6 physical risks (divided into acute and chronic risks).

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 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 2021 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.

**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 approving 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.**

Before their approval by the Board and to their publication, General Management must submit both the annual and half-yearly consolidated condensed 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 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. Those companies that fall within the scope of ICFRS but have not yet completed the relevant implementation are under the obligation to prepare a plan to proceed with implementation and report on roll-out to General 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, the Compliance Committee of ACS Actividades de Construcción y Servicios, S.A 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 leakage or loss of physical and logical information, depending on the level of confidentiality.

Of note was the appointment of the Chief Security Information Officer (CISO) at ACS Actividades de Construcción y Servicios, S.A. for the monitoring and execution of the Information Security Master Plan 2021/2023 approved by the Board on 27 July 2021.

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.

The main information systems have monitoring, virus protection services and elements that are regularly updated to ensure the integrity and availability of information.

**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, the criteria and results thereof are revised by Group management or by 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, since it is essential for its business partners to comply with minimum standards of behaviour in line with ACS's Compliance Culture and ACS's 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.**

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 2021, 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 the capture and preparation of 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 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 Administration Department (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 before 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 Management a report detailing its operations during the period.

This reporting took place in 2021 on a half-yearly basis, at the same time as the publication of the ACS Group's interim half-yearly financial statements.

### ***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 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. Hochtief AG and Cimic Group Limited, as noted in point F.1, have their own control systems and the internal audits for these companies report to their Audit Committees, as indicated in Hochtief AG's 'Opportunities and Risks Report' included in its 2021 Annual Report (available at [www.hochtief.com](http://www.hochtief.com), and in Cimic Group Limited's 2021 Corporate Governance Statement (available at [www.cimic.com.au](http://www.cimic.com.au)).

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 Cimic Group Limited.

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 2021 Activities Report and the 2022 Audit Plan to the Audit Committee in March 2022. 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 2021, 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 48 audits were carried out in all the Business Areas of the Group in 2021, representing coverage equal to 39% of the ACS Group's total revenues excluding Hochtief AG and Cimic Group Limited.

In 2021, 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 Board Regulations, 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 General Management.

As mentioned above, the Corporate Internal Audit Manager submits an Activities Report to the Audit Committee that 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 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 before their approval, 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 before the end of the financial year.

In 2021, the Internal Auditor attended four 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 2021 was reviewed by the external auditor.



# ACS, Actividades de Construcción y Servicios, S.A

Auditor's Report on the "Information concerning the System of Internal Control over Financial Reporting (ICFR)" of ACS, Actividades de Construcción y Servicios, S.A. for 2021

*(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*



KPMG Auditores, S.L.  
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28046 Madrid

## **Auditor's Report on the "Information concerning the System of Internal Control over Financial Reporting (ICFR)" of ACS, Actividades de Construcción y Servicios, S.A. for 2021**

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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 "Company") and in accordance with our proposal letter dated 11 January 2022, we have applied certain procedures to the "Information concerning the ICFR" attached in section F of the Annual Corporate Governance Report of ACS, Actividades de Construcción y Servicios, S.A. for 2021, which summarises the Company's internal control procedures for annual financial reporting.

The Board of Directors is responsible for adopting appropriate measures to reasonably ensure the implementation, maintenance and oversight of an adequate system of internal control, the development of improvements to that system and the preparation and definition of the content of the information concerning the ICFR attached.

In this respect, it should be borne in mind that irrespective of the quality of the design and operation of the internal control system adopted by the Company in relation to annual financial reporting, the system may only provide reasonable, but not absolute assurance in relation to the objectives pursued, due to the limitations inherent in any internal control system.

In the course of our audit work on the annual accounts and in accordance with Technical Auditing Standards, our evaluation of the Company's internal control was solely aimed at enabling us to establish the scope, nature and timing of the audit procedures on the Company's annual accounts. Consequently, the scope of our evaluation of the internal control, performed for the purposes of the audit of accounts, was not sufficient to enable us to issue a specific opinion on the efficiency of this internal control over regulated annual financial reporting.

For the purposes of issuing this report, we have applied only the specific procedures described below and set out in the Guidelines for preparing the auditor's report on the information on the system of internal control over financial reporting of listed entities, published on the website of the Spanish National Securities Market Commission (CNMV), which defines the work to be performed, the minimum scope of the work and the content of this report. As the scope of the work resulting from these procedures is in any event limited and substantially less than that of an audit or review of the internal control system, we do not express an opinion on its effectiveness or design or operational efficiency, with respect to the Company's annual financial reporting for 2021 described in the attached Information concerning the ICFR. Consequently, had additional procedures other than those defined in the aforementioned Guidelines been applied, or an audit or review been performed of the internal control system in relation to regulated annual financial reporting, other events or matters could have been identified, which would have been reported to you.





Moreover, as this special engagement does not constitute an audit of accounts nor is it subject to prevailing legislation regulating the audit of accounts in Spain, we do not express an audit opinion in the terms envisaged in such legislation.

The procedures applied were as follows:

1. Reading and understanding of the information prepared by the Company in relation to the ICFR – disclosures included in the directors' report – and evaluation of whether it covers all the information required, taking into account the minimum content described in Section F, concerning the description of the ICFR, the Annual Corporate Governance Report model set out in Spanish National Securities Market Commission (CNMV) Circular 5/2013 of 12 June 2013 and subsequent amendments, the most recent being Circular 3/2021 of 28 September 2021 (hereinafter, the CNMV Circulars).
2. Inquiries of personnel responsible for preparing the information detailed in point 1 above in order to: (i) gain an understanding of the preparation process; (ii) obtain information that allows us to assess whether the terminology used conforms to the definitions contained in the reference framework; (iii) obtain information on whether the control procedures described are in place and operational in the Company.
3. Review of explanatory documentation supporting the information detailed in point 1 above, and which will mainly include that made directly available to those responsible for preparing the descriptive information on the ICFR. This documentation includes reports prepared by internal audit, senior management and other internal or external specialists supporting the audit committee.
4. Comparison of the information detailed in point 1 above with the understanding of the Company's ICFR gained as a result of the procedures performed within the framework of the audit work on the annual accounts.
5. Reading of the minutes of the meetings of the Board of Directors, audit committee and other committees of the Company for the purposes of assessing the consistency of the matters discussed at these meetings in relation to the ICFR with the information detailed in point 1 above.
6. Procurement of a representation letter concerning the work performed, duly signed by those responsible for preparing and drawing up the information detailed in point 1 above.

As a result of the procedures applied to the Information concerning the ICFR, no inconsistencies or incidents have come to light that could affect it.



This report has been prepared exclusively in the context of the requirements established in article 540 of the Revised Spanish Companies Act and the CNMV Circulars for the purposes of the description of the ICFR in Annual Corporate Governance Reports.

KPMG Auditores, S.L.

*(Signed on original in Spanish)*

Manuel Martín Barbón

24 March 2022

## G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the Company's degree of compliance with the recommendations of the Code of Good Governance 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 articles of association 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 of directors 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 |
|----------|--------------------|---------|
| X        |                    |         |

5. The board of directors 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 |
|----------|--------------------|---------|
| 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 appointments and remuneration committees.
- c. Audit committee report on connected-party transactions.

| Complies | Partially complies | Explain |
|----------|--------------------|---------|
|          | X                  |         |

The activity reports of the Audit, Appointments and Remuneration Committees are published. In particular, the Audit Committee's activity report includes the report on auditor independence.

However, the report of the Audit Committee on connected-party transactions is not published, since it is not considered to provide any additional relevant information to that already published in other documents. Specifically, connected-party transactions are published with broad dissemination and detail, both in the notes to the financial statements and in the annual corporate governance report itself, both in section D on connected-party transactions and in section H for everything that is not expressly included in the above section D.

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 |
|----------|--------------------|---------|
| X        |                    |         |

8. The Audit Committee should ensure that the financial statements submitted by the Board to the shareholders at the General Meeting are prepared 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 |
|----------|--------------------|---------|
|----------|--------------------|---------|

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:

- Immediately publish such additional agenda items and new proposals for resolutions.
- 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.
- Submit all such agenda items or alternative proposals to a vote applying the same voting rules as in the case of matters or proposals made by the board of directors, including in particular any assumptions or deductions as regards the nature of votes.
- 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. If the company intends to pay any premiums for attendance at the annual General Meeting, it should establish a general policy regarding such premiums in advance and apply said 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 shall 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. Measures to encourage the company to have a significant number of senior executives are considered to promote gender diversity.

The result of the prior analysis of the competences the Board needs 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 appointments 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 extends its vision to the governing bodies of ACS and its Group, the diversity objectives and commitments and the mechanisms for monitoring, assessment and monitoring of the Policy. In accordance with the Board Regulations, the Appointments Committee will assess the necessary competences, knowledge and experience on the Board, defining the necessary functions and skills in the candidates to be covered by each vacancy, ensuring that the composition of the Board is appropriate, thus complying with the objectives of a specific policy.

15. A broad majority on the Board should be proprietary and independent Board members and the number of executive Board members should be the minimum necessary, taking into account the complexity of the group of companies and each executive Board members' 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                  |         |

Compliance with this Recommendation is considered partial since, although the selection procedures for Board members aim to facilitate the selection of women directors in a number that allows a balanced presence of women and men to be achieved. At 31 December 2021, the number of women directors represents 20.00% of the total number of Board members. In any case, the Appointments Committee should, in compliance with the Board Regulations and the Diversity Policy, promote gender diversity in relation to potential candidates, on the basis that they meet the appropriate professional profile and objective criteria of merit and ability.

16. The percentage of the total non-executive Board members 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       |

The Company considers that the composition of the Board is adequate to represent the interests of both majority and minority shareholders. The Board ensures, with the support of the Appointments Committee, the necessary diversity of the Board as a whole so that its members have the knowledge, training, professional experience and other aspects that may be relevant due to the ACS Group's sectors of activity and international nature, particularly assessing the knowledge of the current directors of the Company and its Group. In turn, it should also be kept in mind that the Company considers that three of the Other non-executive directors, although legally they cannot be classified as independent directors because they have been directors for more than 12 years, based on their personal and professional conditions, may perform their duties without being conditioned by relations with the Company or its Group, its significant shareholders or its executives.

18. The companies should 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 appointments 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 should 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, these Board members' 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 articles of association except where just cause is found by the board based on a report of the appointments 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. The companies should establish rules that directors 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 that require them to notify the board of any criminal proceedings in which they are under investigation, and of their procedural developments.

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 appointments 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 of directors 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 they are also a Board member.



| Complies | Partially complies | Explain | Not applicable |
|----------|--------------------|---------|----------------|
|----------|--------------------|---------|----------------|

X

24. When, either due to resignation or by shareholder resolution, directors cease to hold office 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 their grounds for removal by the shareholders, in a letter that they will send to all the 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 appointments committee should ensure that non-executive Board members have sufficient time available for the appropriate discharge of their duties.

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

| Complies | Partially complies | Explain |
|----------|--------------------|---------|
|----------|--------------------|---------|

X

The appointments committee should ensure that non-executive Board members 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 member's own assessment should be taken into account as to whether they consider that their presence on other boards may affect the dedication necessary for their 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 of directors 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

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 98.37% attendance at Board meetings. Likewise, as regards proxies with voting instructions, this is not considered advisable in many cases, 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 those 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 | Partially complies | Explain |
|----------|--------------------|---------|
| 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 chair may wish in exceptional circumstances and for reasons of urgency to propose decisions or resolutions that are not included on 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 articles of association, 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. When there is a coordinating director, in addition to the authority corresponding to that director by law, the articles of association or the board regulations should also attribute the following: to preside over 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 as regards 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 Code of Good Governance.

| 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 appointments committee.

Every three years, the board will be assisted in its evaluation by an external consultant, whose independence will be verified by the appointments 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 be apprised at all times 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 oversee a whistle-blowing mechanism that lets employees and others related to the company, such as Board members, suppliers, contractors and subcontractors, confidentially report any potentially significant violations, including those of a financial or accounting nature, or of any other nature, in relation to the company that they may observe in 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 through the CNMV, and to ensure that it is accompanied by a statement as regards the possible existence of disagreements with the outgoing auditor, if any, and the content thereof.
- 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 as regards 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 appointments and remuneration committee (or of the appointments committee and 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                  |         |

In accordance with applicable law, its internal regulations and the policies approved by the Board, particularly in matters of diversity, the Company promotes the selection procedures for directors to take into account the knowledge, skills and experience appropriate to the functions they are called upon to perform, making diversity in its various aspects an essential requirement of selection processes. The majority of the members of the Remuneration Committee are independent directors, and the Appointments Committee has two independent directors as established by the Corporate Enterprises Act. In addition, the Chairs of both Committees are independent and have a proxy vote.

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

| Complies | Partially complies | Explain |
|----------|--------------------|---------|
| X        |                    |         |

49. The appointments committee should consult with the chair of the board and the company's chief executive officer, in particular on matters relating to executive Board members.

Any Board member may request that the appointments committee take potential candidates to cover vacancies in the board into consideration, where they understand them to be suitable.

| Complies | Partially complies | Explain |
|----------|--------------------|---------|
| X        |                    |         |

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

- 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 should consult with the chair or chief executive officer, especially on issues involving executive Board members 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 Board members, 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 session of the board 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 should 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 appointments 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 Board members.

| 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 Board members 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 that 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 Board members 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 appointments 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 paid until the company has been able to verify that the Board member concerned has met the criteria and terms for their payment.

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 24 March 2022.

Indicate whether any Board members voted against or abstained on the approval of this Report.

|  | Yes                                    | No              |
|--|--|-----------------|
|  |  |                 |
|  |  |                 |
|  |  |                 |
| 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   |  |                 |
|  |  |                 |
|  |  |                 |



**Annual Report on Directors'  
Remuneration 2021**

**REMUNERATION COMMITTEE**

24 March 2022

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## 01. Introduction

In line with its commitment to information transparency, ACS, Actividades de Construcción y Servicios, S.A. ("ACS" or the "ACS Group") publishes this report, drafted by the Remuneration Committee of the Board, and submits it to an advisory vote of the shareholders in an Ordinary General Meeting as a separate item on the agenda, in accordance with the section 541 Spanish Corporate Enterprise Act (*Ley de Sociedades de Capital*).

This report details the application of the remuneration policy of ACS directors for 2021 based on the ACS Group's results, for the performance both of the executive functions and of those relating to the position of director, and the proposed remuneration for 2021, based on the new remunerations policy to be submitted to the General Meeting on 6 May 2022 for the 2022-2025 period.

At the ACS Group, 2021 was characterised by:

1. The good performance of the businesses in an environment still affected by the COVID-19 global pandemic, with a 33% improvement in ordinary profit to EUR 720 million.
2. The sale of Industrial activity to Vinci for a total amount of EUR 5,580 million, generating significant gains for the Group, which allowed it to post the best results in its history: EUR 3,045 million in net profit.
3. The agreement with Vinci also includes creating a joint company to develop the renewables portfolio, of at least 15 GW, that ACS and Vinci will contribute in coming years.
4. The strategic commitment to allocate these funds obtained to investing in:
  - a. Developing and operating concessional infrastructure assets;
  - b. Simplifying the Group's corporate structure.
5. The strong boost to the Group's sustainability by launching the new 2025 Sustainability Master Plan.

These facts were taken into account by the Remuneration Committee in its report to the Board regarding the remuneration of the Company's senior executives and, especially, of the executive chairman and the CEO, approved by ACS's Board in its meeting of 24 March 2022, the amounts of which are detailed in this report.

Lastly, it should be noted that, once again, both ACS and the Group's listed companies, HOCHTIEF and CIMIC, have maintained their corporate engagement with shareholders, investors and other stakeholders, such as analysts, proxy advisors and other related agents, with special emphasis on sustainability and corporate governance ("environmental, social and governance" – ESG), with the aim of improving transparency and aligning mutual interests.

## 02. Remuneration Committee

In accordance with the Articles of Association and the Board Regulations, on 31 December 2020, the Remuneration Committee comprised the following members:

- Mr. Antonio Botella García - (Independent). Chairman of the Committee
- Mr. Emilio García Gallego - (Independent)
- Ms. María Soledad Pérez Rodríguez - (Proprietary)
- Mr. Miquel Roca Junyent - (Other External)
- Mr. José Eladio Seco Domínguez - (Independent)

All members of the committee have extensive experience, skills and knowledge in line with their key responsibilities.

Mr. José Eladio Seco Domínguez is also Lead Independent Director.

Mr. Miquel Roca Junyent is considered an external director, having remained independent for more than 12 years.

The functions of ACS's Board and of its Remuneration Committee as regards remuneration are governed by the Articles of Association (Articles 13 to 24) and in the Board Regulations (Articles 13 to 24) and by the Board Regulations (Articles 5 and 27). The Remuneration Committee is responsible for reporting to the Board as regards:

- The remuneration system of the chairman of the Board and other senior executives of the Company.
- The distribution, among the Board members, of the overall remuneration agreed upon by the shareholders at the General Meeting and, if applicable, the establishment of supplementary remuneration and other payments corresponding to executive directors in relation to their functions.
- Remuneration of the Directors.
- Long-term plans that may be established in accordance with share value, such as stock option plans.

During financial year 2021, the Remuneration Committee met on five occasions, with the personal attendance of all its members. In 2022, until the date of publication of this report, it met on one occasion.

At these meetings, the committee debated the following questions, among other things, and agreed, if applicable, to submit them to the Board for approval:

- Directors' remuneration for their functions as such;
- Fixed remuneration of executive directors;
- Approval of targets associated with the annual variable remuneration of the executive directors;
- Assessment and approval of the annual variable remuneration of the executive directors for the results achieved in this financial year;
- Assessment of the achievement of the targets set in the long-term incentive plans corresponding to approval of long-term variable remuneration of the CEO;
- Approval and proposal of the Annual Remuneration Reports.

In accordance with the Board Regulations, and in order to improve the compliance with its functions, the Remuneration Committee may request to the Board that the Company hire specialised external advisors.

## 03. 2022 Remuneration Policy

### 03.01. General principles and fundamentals of the remuneration policy

ACS's remuneration system is based on the following principles:

- alignment with long-term value creation for shareholders;
- attracting and retaining talent;
- compensation for professional accountability and career paths;
- internal equity and external competitiveness, by establishing compensation schemes that are comparable with the market;
- balance among the different remuneration items.

### 03.02. Non-Executive Directors

The remuneration system for directors in their capacity as such for 2022 consists of a fixed allowance independent of any allowance that may correspond to the executive directors in their capacity as such. In an attempt to make the fixed components of the remuneration as objective as possible, it is proposed to maintain the current system, which consists of basing the annual remuneration amount for each director on the positions they hold on the Board, their presence on various Board committees, and the functions that they each have in each committee. The total of this fixed allowance is submitted each year to the approval of the Ordinary General Meeting.

The chart of remuneration, as annual fees stipulated in the Articles of Association currently in force and proposed for 2022, is set forth in the 2022-2025 Remuneration Policy, as follows:

| Position   | Thousands of Euros |
|--|--------------------|
| Chairman of the Board                                    | 390                |
| Vice-Chairman of the Board or of the Executive Committee | 365                |
| Board Members  | 90                 |
| Executive Committee Member                               | 60                 |
| Committee Chairman                                       | 40                 |
| Committee Member   | 30                 |

The amounts determined for the chairman and vice chairmen of the Board and vice chairman of the Executive Committee will include any amounts due for membership on committees other than the Executive Committee; all other amounts may be aggregated.

The maximum annual remuneration amount in 2022 for directors as fees stipulated in the Articles of Association will not exceed EUR 4,000 thousand.

### 03.03. Executive Directors

In the Remuneration Policy for the 2022-2025 period, to be submitted to the General Meeting on 6 May 2022, significant changes were introduced to the executive Director Remuneration Policy, adapting it to the international corporate governance standards currently in effect. The policy considers remuneration an element to attract and retain the best professionals and make them feel part of the ACS Group. Accordingly, the first element to take into account is the comparison with other leading business groups. The second element to take into account is how best to reasonably distribute both annual and multiannual fixed and variable remuneration.

Likewise, in establishing the Remuneration Policy, the suggestions of institutional investors and proxy advisors made during the engagement process carried out by ACS throughout the year were taken into account.



### 03.03.01. Fixed Remuneration

Salary remuneration is established by taking into account the content of the executive functions associated with the position, and market data regarding comparable companies. A fixed remuneration increase of 4% is proposed for 2022.

The new CEO, the hiring of whom is to be proposed at the next General Meeting, has been assigned a fixed remuneration of EUR 1,600 thousand annually.

Hence, the executive directors have been assigned the following fixed annual remuneration:

| Position             | Thousands of Euros |
|----------------------|--------------------|
| Executive Chair      | 1,790              |
| CEO                  | 1,600              |
| Executive Vice-Chair | 780                |
| General Secretary    | 1,316              |

### 03.03.02. Annual Variable Remuneration

The annual variable remuneration of executive directors is associated with individual performance and the achievement of targets. This includes both non-financial targets and specific financial, predetermined, objectively quantifiable targets aligned with the Group's strategy, as set out in the Director Remuneration Policy.

The annual variable remuneration scheme for 2022 is distributed as follows:

- 66.66% for **Financial targets**, divided into:
  - 33.33% of gross operating profit (EBITDA) with respect to the budget; and
  - 33.33% for net profit with respect to the budget.

Each financial metric is associated with an achievement scale with a minimum value, a target value and a maximum value:

- The minimum value is a target achievement threshold under which no incentive is paid; this threshold is fixed at 75% of the budget.
- The target is 100% compliance with the budget
- The maximum value is the level for which a higher incentive is paid and which is fixed at 120% of the budget
- For intermediate levels, the incentive is calculated by linear interpolation.

| Item       | Scale   | Level of fulfilment | Percentage of target |
|------------|---------|---------------------|----------------------|
| EBITDA     | Minimum | =75% Budget         | 25 %                 |
|            | Target  | If real<br>=Budget  | 100 %                |
|            | Maximum | >120% Budget        | 150 %                |
| Net profit | Minimum | =75% Budget         | 25 %                 |
|            | Target  | If real<br>=Budget  | 100 %                |
|            | Maximum | >120% Budget        | 150 %                |

- 33.33% for **Non-financial targets**, strengthening the Group's commitment to sustainability by setting specific, quantifiable targets related to the environment, safety and social responsibility in general.

Specifically, for 2022, the non-financial targets are established by assessing the following quantitative parameters:

- 11.11% for belonging to the main international sustainability indexes. Specifically, being among the highest-rated companies on the Dow Jones Sustainability Index;
- 11.11% for reducing greenhouse gas emissions;
- 11.11% for improving the occupational safety indexes.

Each non-financial metric, except the first one which has a payment coefficient of 100% only if it is hit, is associated with attaining a minimum that entails a threshold of hitting targets below which the bonus will not be paid out, a target and a maximum, as shown in the following table:

| Item           | Scale   |                     | Level of fulfilment     | Percentage of target |
|----------------|---------|---------------------|-------------------------|----------------------|
| DowJones       | Minimum |                     | Percentile 75           | 25 %                 |
| Sustainability | Target  | If position         | Percentile 90           | 100 %                |
| Index          | Maximum |                     | Member World & Europe   | 150 %                |
| Reduction      | Minimum |                     | 0% vs average 2018-20   | 25 %                 |
| emissions      | Target  | If real             | -5% vs average 2018-20  | 100 %                |
| TCO2 equiv.    | Maximum |                     | =< -10% average 2018-20 | 150 %                |
| Indicators     | Minimum | If indicators value | 50% indicators          | 25 %                 |
| Occupational   | Target  | improve vs          | 75% indicators          | 100 %                |
| Safety         | Maximum | Average 18-20       | 100% indicators         | 150 %                |

For all executive directors, the 2022 bonus will be limited to 200% of fixed remuneration, although these scales allow for higher bonuses if all of the target maximums are exceeded. In such a case, the fixed remuneration would refer to the fixed salary, without fees under the Articles of Association.

### 03.03.03. Multiannual Variable Remuneration

Multiannual variable remuneration of the executive directors is mainly determined through the ACS share option plans, which make it possible to align shareholders' interests with long-term value creation for the Group.

To this end, ACS's Board, at a meeting held on July 25, 2018, and following a favourable report of the Remuneration Committee meeting held on the same date, approved the "2018 Options Plan", which is governed by Significant Event no. 268315 of 25 July 2018. The plan's main features are:

- The purchase price will be EUR 37.17 per share, which is the price at the close of the day before the date of approval of the plan. This price will change by the corresponding amount only if a dilution takes place.
- The executive directors benefiting from this plan, aimed at a total of 271 directors of the ACS Group, and the maximum number of options assigned are:

|                            | Maximum no. of assigned options |
|----------------------------|---------------------------------|
| FLORENTINO PÉREZ RODRÍGUEZ | 500,000                         |
| JOSÉ LUIS DEL VALLE PÉREZ  | 275,000                         |

- The theoretical value, calculated as at the date of approval of the plan based on the Black-Scholes model with the financial parameters estimated according to Reuters, and assuming fulfilment of the required operating and financial performance conditions, would be EUR 1.77 per option.
- The options may be exercised in two equal parts, cumulative if the beneficiary so wishes, during the fourth and fifth years after 1 July 2018, inclusive. However, in the event that the employment relationship ends due to a dismissal that is declared justified, or due to the desire of the beneficiary, the latter will not be entitled to exercise the assigned options, whereas in other cases the options may be exercised proportionally, based on the time elapsed as from their assignment until the termination of the employment relationship, six months subsequent to the event in question in cases of death, retirement, early retirement or permanent disability, and 30 days subsequent to the event in all other cases.
- The execution of the options by the beneficiaries is subject to a two conditions. First, given the nature of the chosen financial instrument, that the market price is above the exercise price (EUR 37.17/share) as from the fourth year, which implies an alignment with long-term shareholder value creation.
- The second condition for the execution by each beneficiary of the options that have been assigned to them is that the operational, financial and sustainability-related performance of the ACS Group during the 2018-2020 period exceeds the average parameters of the main comparable companies in the market. For this purpose, listed companies that compete in the same markets as the ACS Group (Europe, the Americas and Australia), with capitalisation higher than 1,000 million euros and international sales exceeding 15% of total revenue, are selected.

To this end, the following two criteria are established, one financial and the other non-financial, with different weightings. These criteria are chosen to mitigate the market volatility, and at the same time align executive remuneration with sustainable value creation, while avoiding the possibility of circumstantial impact on the activity or other macroeconomic factors (the effect of which will be included in annual variable remuneration) discouraging the Group from meeting its long-term strategic and financial targets.

- The chosen financial criterion, with a weighting of 85%, is return on equity (ROE): a target of exceeding the average return in the sector over the 2018-2020 period was established. This criterion was considered met in 2020, because ACS's average ROE for 2018-2020 was 19.6% versus the 10.5% adjusted average for the sector (without considering companies with losses).
- The chosen non-financial criterion, with a weighting of 15%, related to sustainability, establishes the target of exceeding the 60th percentile in the world ranking formulated annually by RobecoSAM for the Dow Jones Sustainability Index in the 2018-2020 period. This criterion was also considered to have been met because ACS has been included in the index since 2018 and has been above the 90th percentile.

Likewise, the Group encourages the main executives to be part of ACS's shareholder structure, in accordance with international best practices on senior management remuneration. The executive chairman is currently ACS's majority shareholder and the remaining executive directors have a significant stake, far above twice their respective fixed salaries. New executive directors are given five years from when they were hired to meet this target.

#### 03.03.04. Indemnity Payments

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. Fixed remuneration plus variable remuneration, calculated assuming 100% fulfilment of targets, will be taken as the base. 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 change of control.

#### 03.03.05. Long-Term Savings Systems

Remuneration, rights and compensation relating to long-term savings systems derive from the contracts signed previously with each executive director and approved by the Company's Board, the conditions of which were adjusted to prevailing personal, professional and market practice circumstances. ACS is committed to respecting these obligations undertaken and to maintaining its best practices policy in future allocations.

The executive chairman and the director-general secretary are beneficiaries of long-term savings systems formalised through collective savings insurance contracts regarding benefits in the form of capital since 2004. The systems are vested as the amounts are contributed to the insurance company to which the pension plan is outsourced. Once the contractually agreed retirement age is reached, as applicable, the annual amounts to contribute remain constant in the future. In both cases, once the director retires the entire fund contributed up to that point is collected as a lump sum; there is no non-competition agreement, given that no other remuneration financially offsets non-competition (there is no remuneration other than the pension in the event of retirement); and lastly, in the event of death, the director's heirs are entitled to the fund that has been generated. Once the agreed retirement age has been reached, the director must retire if so required by the Company; thus, if the director fails to do so, the Company would no longer have the obligation to contribute to the fund and the fund would be reduced by 25% for each year.

For his part, the CEO is the beneficiary of a long-term savings system by which he takes part in a pension plan whose maximum contribution is set at 30% of the annual fixed remuneration to be made as long as the contractual relationship between the CEO and the Company is in force and until he reaches legal retirement age, at which time the CEO may receive the entire fund contributed until then. In the event of death of the CEO, his heirs are entitled to the fund generated.

As for the executive vice chairman, given that he came from Grupo Dragados, S.A., which was absorbed by the Company in 2003, and he had specific terms, he is entitled to a monthly supplement in addition to the mandatory benefits of the General Social Security Regime relating to retirement and disability. These defined benefit pension commitments are outsourced through collective life insurance contracts. The CEO, who is over 65 years of age, has not retired, and therefore has not begun to collect the benefit, and the insurance company refunds to the Company the amounts recorded as an actuarial mathematical provision.

In this regard, the conditions of the contract of the executive chairman and the director-general secretary, and those of the executive vice chairman, respond, therefore, to their professional and personal circumstances and to a market comparison on the dates on which they were signed. These conditions were approved by the Board, after analysing the market practices in force at that time. In the event of new hires or the review of remuneration components based on long-term savings systems, ACS intends to circumscribe the arrangements to the market practice at the time of appointment.

### 03.03.06. Supplementary Remuneration

The Company has arranged life insurance cover for all its employees based on the construction agreement, the coverage of which takes into account the employee's family situation. This insurance is applicable to the executive chairman and the director-general secretary.

### 03.03.07. Ex Post Control of Annual Variable Remuneration

With the aim of reducing risks and aligning the variable remuneration policy with the targets of the Company and its shareholders, ACS has established clawback clauses for the incentives paid or delivered with a period of two years when they have been paid according data subsequently proven to be inaccurate.

### 03.03.08. Main Contract Terms

In addition to what has been specified in the corresponding sections it should be pointed out that the contracts between the Company and the executive directors are indefinite and include the obligation to provide services exclusively to the Company on a full-time basis. Accordingly, executive directors may not provide services, for their own account or for the account of others, directly or indirectly, to third parties outside of the ACS Group, without the express consent of the Company.

## 04. Comparison of Remuneration Levels

In 2018, the relevant specialised company, Willis Towers Watson, carried out a benchmarking study on the level and structure of the remuneration of ACS's management team.

In its conclusions, the study noted that the remuneration of ACS's main directors was aligned with market benchmarks, both at industry level and for the IBEX 35.

Given that no substantial changes in these remuneration systems were reported, the Group did not consider it necessary to conduct a new study in 2021.

The same firm, Willis Towers Watson, advised ACS on formulating the 2021-2023 Director Remuneration Policy.

## 05. Results of the ACS Group to Establish Incentive Levels

Compliance with predetermined and quantifiable targets established at the start of the financial year by the Board, by proposal of the Remuneration Committee, in order to calculate the annual variable remuneration of executive directors, is aligned with the Group's financial results in 2021 ("Pay for performance") and its long-term corporate strategy. The main business milestones for 2021 were as follows:

- Net profit amounted to EUR 3,045 million, including one-off positive impacts in the amount of EUR 2,325 million, mainly resulting from net gains on the sale of industrial services; without these impacts, net profit stood at EUR 720 million, 33% more than the previous year.
- Sales stood at EUR 27,837 million, similar to the previous year, and the portfolio stood at EUR 67,262 million, 11.3% more than in 2020: hence, the Company returned to its pre-pandemic level of activity.
- Gross operating profit, or EBITDA, was EUR 1,598 million, a 16% increase.
- The flow of gross funds from operations (FFO) was EUR 1,073 million, a more than 75% increase.

- The Group's financial position stood at EUR 2,009 million of net cash, and equity exceeded EUR 7,000 million, increasing substantially after the industrial services transaction had concluded.
  
- In terms of sustainability, the most noteworthy points are:
  1. the approval of the new 2025 Sustainability Master Plan;
  2. the inclusion of ACS in the Dow Jones Sustainability Europe Index, and HOCHTIEF in the Dow Jones Sustainability World Index and CIMIC in the Dow Jones Sustainability Australia Index;
  3. the 30% reduction in GHG emissions compared with the average for the previous three years;
  4. the improvement trend in the main workplace safety indicators compared with the previous three years.

## 06. Application of the Remuneration Policy in 2021

Below are details of the remuneration accrued by the directors in 2021 in line with the Remuneration Policy approved by the General Meeting for 2021-2023.

### 06.01. Remuneration of the Directors in their capacity as such

During the last year, the directors, in their capacity as ACS directors and for their membership on the different committees, individually accrued the following amounts:

| Remuneration at the Company    |                                      |   |            |
|--------------------------------|--------------------------------------|---|------------|
| Name                           | Remuneration for membership of Board | Remuneration for membership on Board committees | Total 2021 |
| AGUSTÍN BATUECAS TORREGO (1)   | 90                                   | —   | 90         |
| ANTONIO BOTELLA GARCÍA         | 90                                   | 40  | 130        |
| JOSÉ LUIS DEL VALLE PÉREZ      | —                                    | —   | —          |
| JAVIER ECHENIQUE LANDIRÍBAR    | 90                                   | 90  | 180        |
| CARMEN FERNÁNDEZ ROZADO        | 90                                   | 122   | 212        |
| MARCELINO FERNÁNDEZ VERDES (2) | —                                    | —   | —          |
| ANTONIO GARCÍA FERRER          | 365                                  | —   | 365        |
| EMILIO GARCÍA GALLEGO          | 90                                   | 60  | 150        |
| JOAN DAVID GRIMÀ TERRÉ         | 90                                   | 30  | 120        |
| MARIANO HERNANDEZ HERREROS     | 90                                   | 30  | 120        |
| PEDRO JOSÉ LÓPEZ JIMÉNEZ       | 365                                  | —   | 365        |
| CATALINA MIÑARRO BRUGAROLAS    | 90                                   | 70  | 160        |
| FLORENTINO PÉREZ RODRÍGUEZ     | 390                                  | —   | 390        |
| MARÍA SOLEDAD PÉREZ RODRÍGUEZ  | 90                                   | 60  | 150        |
| MIQUEL ROCA JUNYENT            | 90                                   | 30  | 120        |
| JOSÉ ELADIO SECO DOMÍNGUEZ     | 90                                   | 60  | 150        |

<sup>(1)</sup> Agustín Batuecas became an external director after the sale of Continental Rail, where he was an executive director.

<sup>(2)</sup> Marcelino Fernández Verdes waived his right to re-election at the General Meeting of 7 May 2021.

The following table gives an itemised breakdown of the amounts accrued by directors as remuneration for board membership at other investee companies of ACS, representing ACS:

| Remuneration at Group companies |            |
|---------------------------------|------------|
| Name                            | Total 2021 |
| AGUSTÍN BATUECAS TORREGO        | —          |
| ANTONIO BOTELLA GARCÍA          | —          |
| JOSÉ LUIS DEL VALLE PÉREZ       | 267        |
| JAVIER ECHENIQUE LANDIRÍBAR     | 42         |
| CARMEN FERNÁNDEZ ROZADO         | —          |
| MARCELINO FERNÁNDEZ VERDES      | —          |
| ANTONIO GARCÍA FERRER           | —          |
| EMILIO GARCÍA GALLEGO           | —          |
| JOAN DAVID GRIMÀ TERRÉ          | —          |
| MARIANO HERNANDEZ HERREROS      | 84         |
| PEDRO JOSÉ LÓPEZ JIMÉNEZ        | 581        |
| CATALINA MIÑARRO BRUGAROLAS     | —          |
| FLORENTINO PÉREZ RODRÍGUEZ      | —          |
| MARÍA SOLEDAD PÉREZ RODRÍGUEZ   | 84         |
| MIQUEL ROCA JUNYENT             | —          |
| JOSÉ ELADIO SECO DOMÍNGUEZ      | —          |



Directors' attendance at the meetings of the Board and its committees in 2021 was as follows:

| Name                           | Type of Director | Board of Directors | Executive Committee | Audit Committee | Appointments Committee | Remuneration Committee |
|--------------------------------|------------------|--------------------|---------------------|-----------------|------------------------|------------------------|
|                                |                  | 8                  | 11                  | 6               | 1                      | 1                      |
| AGUSTÍN BATUECAS TORREGO (1)   | Other External   | 8/8                |                     |                 |                        |                        |
| ANTONIO BOTELLA GARCÍA         | Independent      | 8/8                |                     |                 |                        | 1/1                    |
| JOSÉ LUIS DEL VALLE PÉREZ      | Executive        | 8/8                | 11/11*              | 6/6 *           | 1/1 *                  | 1/1*                   |
| JAVIER ECHENIQUE LANDIRÍBAR    | Proprietary      | 7/8                | 11/11               |                 | 1/1                    |                        |
| CARMEN FERNÁNDEZ ROZADO        | Independent      | 8/8                | 11/11               | 6/6             | 1/1                    |                        |
| MARCELINO FERNÁNDEZ VERDES (2) | Executive        | 3/8                | 4/11                |                 |                        |                        |
| ANTONIO GARCÍA FERRER          | Executive        | 8/8                | 11/11               |                 |                        |                        |
| EMILIO GARCÍA GALLEGO          | Independent      | 7/8                |                     | 5/6             |                        | 1/1                    |
| JOAN DAVID GRIMÀ TERRÉ         | Other External   | 8/8                |                     |                 | 1/1                    |                        |
| MARIANO HERNANDEZ HERREROS     | Proprietary      | 8/8                |                     |                 | 1/1                    |                        |
| PEDRO JOSÉ LÓPEZ JIMÉNEZ       | Other External   | 8/8                | 11/11               | 2/6 **          | 1/1                    |                        |
| CATALINA MIÑARRO BRUGAROLAS    | Independent      | 8/8                |                     | 6/6             | 1/1                    |                        |
| FLORENTINO PÉREZ RODRÍGUEZ     | Executive        | 8/8                | 11/11               |                 |                        |                        |
| MARÍA SOLEDAD PÉREZ RODRÍGUEZ  | Proprietary      | 8/8                |                     | 6/6             |                        | 1/1                    |
| MIQUEL ROCA JUNYENT            | Other External   | 8/8                |                     |                 |                        | 1/1                    |
| JOSÉ ELADIO SECO DOMÍNGUEZ     | Independent      | 8/8                |                     | 4/6 ***         |                        | 1/1                    |

<sup>(1)</sup> Agustín Batuecas became an external director after the sale of Continental Rail, where he was an executive director.

<sup>(2)</sup> Marcelino Fernández Verdes waived his right to re-election at the General Meeting of 7 May 2021.

\* José Luis del Valle Pérez is a non-member secretary

\*\* Pedro López Jiménez ceased to be a member of the Audit Committee on 31 March 2021

\*\*\* José Eladio Seco Domínguez has served as a member of the Audit Committee since 31 March 2021

## 06.02. Remuneration of Executive Directors

### 06.02.01. Fixed Remuneration

The total fixed remuneration received by executive directors for performing executive functions in 2021 came to EUR 4,423 thousand, broken down as follows:

|                                | Fixed Remuneration 2021 in Thousands of Euros |
|--------------------------------|---|
| FLORENTINO PÉREZ RODRÍGUEZ     | 1,721   |
| MARCELINO FERNÁNDEZ VERDES (1) | 687   |
| ANTONIO GARCÍA FERRER          | 750   |
| JOSÉ LUIS DEL VALLE PÉREZ      | 1,265   |

<sup>(1)</sup> Remuneration until May 2021

### 06.02.02. Annual Variable Remuneration

In 2021, the executive directors had an annual variable remuneration assigned in line with the Remuneration Policy for 2021-2023, approved by the 2020 General Meeting.

To determine the degree of fulfilment of the 2021 objectives, the Remunerations Committee conducted an evaluation process with support from General Corporate Management, which is in charge of the Group's economic/financial and sustainability information. The results have been duly verified by the Audit Committee.

Below are details of the categories of targets approved by the Board, by proposal of the Remuneration Committee, as regards the annual variable remuneration of the executive directors, and the metrics, weightings and degree of compliance reached, that have determined the amount of annual variable remuneration for 2021:

| Item                                    | Weighting | Objective 2020 | Real Data 2020 | Degree of Compliance | Level of Achievement |
|---|-----------|----------------|----------------|----------------------|----------------------|
| <b>Financial objectives</b>             |           |                |                |                      |                      |
| Adjusted Free Cash Flow                 | 33.33%    | 1,149 mn €     | 1,181 mn €     | +1.3% s/Pto          | 103.3%               |
| Net Profit (BDI)                        | 33.33%    | 751 mn €       | 3,045 mn €     | >120% s/Pto          | 150%                 |
| <b>Non Financial objectives</b>         |           |                |                |                      |                      |
| Sustainability Master Plan              | 8.33%     | Approval       | Approved       | 1                    | 100%                 |
| Dow Jones Sustainability Index          | 8.33%     | Perc. 75       | Perc. 90       | DJSI Europe          | 125%                 |
| GHG emissions (tCO2 Equiv)              | 8.33%     | 602.1          | 413.9          | -30%                 | 150%                 |
| Occupational Safety Indicators          | 8.33%     | 75%            | 83.33%         | Improves in 5/6      | 116.66%              |
| <b>Degree of achievement applicable</b> |           |                |                |                      | <b>125%</b>          |

Note: The financial information comes from the information published in the Integrated Report, namely:

- Adjusted Cash Flow is detailed in Chapter 4.3 Net Cash Flows, and is calculated as the Net Cash Flow from Operational Activities, adjusted for the variation in factoring;
- Net Profits and their growth are included in Chapter 4.1 Income Statement;
- the non-financial evaluation is described in Chapter 5: Statement of Non-Financial Information.

Accordingly, and taking into account the degree of compliance with the established metrics and the proposal of the Remuneration Committee based on the results obtained, the amount of the annual variable remuneration for 2021 assigned to the executive chairman would be EUR 3,441 thousand, equivalent to 120% of the basis for calculation, given that it is limited to 200% of fixed salary.

As a result of the exceptional situations in the last two years relating to the COVID-19 pandemic, and in light of the pandemic's repercussion on society in general and on the Group's performance in particular, the executive chairman has waived 30% of his variable remuneration for 2021, which stood at EUR 2,409 thousand.

Based on this, the Board agreed at its meeting of 24 March 2022, at the proposal of the Remuneration Committee, to settle the amounts specified below of the annual variable remuneration for 2021 of the executive chairman, the executive vice chairman and the director-general secretary.

| (Thousands of Euros)       | Annual variable remuneration                |   |
|----------------------------|---|---|
|                            | Charged to 2020 Results<br>(Paid on 1Q2021) | Charged to 2021 Results<br>(Paid in 1Q2022) |
| FLORENTINO PÉREZ RODRÍGUEZ | 2,349                                       | 2,409                                       |
| ANTONIO GARCÍA FERRER      | 684   | 1,048                                       |
| JOSÉ LUIS DEL VALLE PÉREZ  | 1,371                                       | 2,101                                       |

### 06.02.03. Long-Term Variable Remuneration

ACS's Board, at a meeting held on 25 July 2018, and following a favourable report from the Remuneration Committee held on the same date, approved the "2018 Options Plan" that awarded 271 directors rights over ACS shares exercisable as from 1 July 2021, at a price of EUR 37.17 per share, subject to compliance with operating, financial and sustainability conditions, as detailed in chapter 3.2.2.

The executive directors who benefit from the plan are the executive chairman, with a maximum of 500,000 rights, and the general secretary, with a maximum of 275,000 rights.

ACS shares were listed at the close of 2021 at a price of EUR 23.57.  
No other shares plan is in force at the close of this report.

### 06.02.04. Other Payments

The executive directors are beneficiaries of pension plans and certain benefits in kind that include, among other items, life insurance. The expense associated with these benefits in 2021 amounts to EUR 1,362 thousand for the executive chairman, and EUR 657 thousand for the general secretary.

Furthermore, in 2021 the Company did not award any advance, credit or guarantee to the executive directors.

Below is a breakdown of details of the cost incurred by the Company for the contributions to the executive directors' pension plans in 2021, and other remuneration in kind received by the directors that year:

| Executive Board Member         | Contributions to Pension funds and plans: | Life Insurance Premiums and other payments |
|--------------------------------|---|--|
| FLORENTINO PÉREZ RODRÍGUEZ     | 1,362                                     | 29   |
| MARCELINO FERNÁNDEZ VERDES (1) | 624                                       | —  |
| ANTONIO GARCÍA FERRER          | —   | 2  |
| JOSÉ LUIS DEL VALLE PÉREZ      | 657                                       | 1  |

<sup>(1)</sup> Marcelino Fernández Verdes waived his right to re-election at the General Meeting of 7 May 2021.

## 06.02.05. Total Remuneration of the Executive Directors

Below is an itemised summary of total gross remuneration accrued by the executive directors in 2021:

| Remunerations accrued by Executive Board Members in Financial Year 2021 |   |                    |                              |                                     |  |             |            |        |
|---|---|--------------------|------------------------------|-------------------------------------|--|-------------|------------|--------|
| Directors   | Remuneration for Director functions (1) | Fixed Remuneration | Annual Variable Remuneration | Long Term Variable Remuneration (2) | Contributions to Long Term savings systems | Other items | TOTAL 2021 | Var.   |
| FLORENTINO PÉREZ RODRÍGUEZ  | 390                                     | 1,721              | 2,409                        | 1,362                               | 29   | 5,911       | 5,848      | 1.1%   |
| MARCELINO FERNÁNDEZ VERDES (3)  | —                                       | 687                | —                            | 1,233                               | —  | 1,920       | 4,549      | -57.8% |
| ANTONIO GARCÍA FERRER   | 365                                     | 750                | 1,048                        | —                                   | 2  | 2,165       | 1,803      | 20.1%  |
| JOSÉ LUIS DEL VALLE PÉREZ   | 267                                     | 1,265              | 2,101                        | 657                                 | 1  | 4,291       | 3,548      | 20.9%  |

(1) Remuneration for director functions: includes the fixed allocation derived from membership on Boards of ACS and its subsidiaries and its committees.

(2) Contributions to long-term savings systems: refers to the Company's contributions to the pension plans

(3) Marcelino Fernández Verdes waived his right to re-election at the General Meeting of 7 May 2021.

Below is the total remuneration accrued by the executive directors, itemised by company. Proportional remuneration is calculated based on the Group's stake in HOCHTIEF's share capital (50.4%).

| Name                           | Position                      | Remuneration by ACS | Remuneration by HOCHTIEF | Remuneration by other Group companies | TOTAL | Total proportional |       |        |
|--------------------------------|-------------------------------|---------------------|--------------------------|---------------------------------------|-------|--------------------|-------|--------|
|                                |                               |                     |                          |                                       |       | 2021               | 2020  | Var.   |
| FLORENTINO PÉREZ RODRÍGUEZ     | Executive Chairman            | 5,911               |                          |                                       | 5,911 | 5,911              | 5,848 | 1.1%   |
| MARCELINO FERNÁNDEZ VERDES (1) | Chief Executive Officer (CEO) | 837                 | 1,083                    |                                       | 1,920 | 1,383              | 2,912 | -52.5% |
| ANTONIO GARCÍA FERRER          | Vice Chairman                 | 2,165               |                          |                                       | 2,165 | 2,165              | 1,803 | 20.1%  |
| JOSÉ LUIS DEL VALLE PÉREZ      | Board Secretary General       | 4,024               | 267                      |                                       | 4,291 | 4,159              | 3,422 | 21.5%  |

(1) Marcelino Fernández Verdes waived his right to re-election at the General Meeting of 7 May 2021.

The following table gives a breakdown of total remuneration accrued by directors in 2021 for different items:

| Name                           | Remuneration for membership of ACS Board | Remuneration for membership on Board committees | Remuneration for membership on Boards of Group Companies | Fixed remuneration for executive functions | Short-term variable remuneration | Variable long-term remuneration in cash | Variable long-term remuneration in financial instruments | Contributions to Long-Term Contributions | Other items (1) | Total 2021 | Total 2020 |
|--------------------------------|--|---|--|--|----------------------------------|---|--|--|-----------------|------------|------------|
| AGUSTÍN BATUECAS TORREGO (2)   | 90                                       | —   | —  | 343  | —                                | —                                       | —  | —  | 1               | 434        | 548        |
| ANTONIO BOTELLA GARCÍA         | 90                                       | 40  | —  | —  | —                                | —                                       | —  | —  | —               | 130        | 130        |
| JOSÉ LUIS DEL VALLE PÉREZ      | —  | —   | 267  | 1,265                                      | 2,101                            | —                                       | —  | 657                                      | 1               | 4,291      | 3,548      |
| JAVIER ECHENIQUE LANDIRÍBAR    | 90                                       | 90  | 42   | —  | —                                | —                                       | —  | —  | —               | 222        | 222        |
| CARMEN FERNÁNDEZ ROZADO        | 90                                       | 122   | —  | —  | —                                | —                                       | —  | —  | —               | 212        | 171        |
| MARCELINO FERNÁNDEZ VERDES (3) | —  | —   | —  | 687  | —                                | —                                       | —  | 1,233                                    | —               | 1,920      | 4,549      |
| ANTONIO GARCÍA FERRER          | 365                                      | —   | —  | 750  | 1,048                            | —                                       | —  | —  | 2               | 2,165      | 1,803      |
| EMILIO GARCÍA GALLEGO          | 90                                       | 60  | —  | —  | —                                | —                                       | —  | —  | —               | 150        | 150        |
| JOAN DAVID GRIMÀ TERRÉ         | 90                                       | 30  | —  | —  | —                                | —                                       | —  | —  | —               | 120        | 120        |
| MARIANO HERNANDEZ HERREROS     | 90                                       | 30  | 84   | —  | —                                | —                                       | —  | —  | —               | 204        | 204        |
| PEDRO JOSÉ LÓPEZ JIMÉNEZ       | 365                                      | —   | 581  | —  | —                                | —                                       | —  | —  | —               | 946        | 948        |
| CATALINA MIÑARRO BRUGAROLAS    | 90                                       | 70  | —  | —  | —                                | —                                       | —  | —  | —               | 160        | 160        |
| FLORENTINO PÉREZ RODRÍGUEZ     | 390                                      | —   | —  | 1,721                                      | 2,409                            | —                                       | —  | 1,362                                    | 29              | 5,911      | 5,848      |
| MARÍA SOLEDAD PÉREZ RODRÍGUEZ  | 90                                       | 60  | 84   | —  | —                                | —                                       | —  | —  | —               | 234        | 234        |
| MIQUEL ROCA JUNYENT            | 90                                       | 30  | —  | —  | —                                | —                                       | —  | —  | —               | 120        | 120        |
| JOSÉ ELADIO SECO DOMÍNGUEZ     | 90                                       | 60  | —  | —  | —                                | —                                       | —  | —  | —               | 150        | 120        |

[1] Total amount of the remaining remuneration accrued in the year and not considered in any of the other sections.

(2) Agustín Batuecas became an external director after the sale of Continental Rail, where he was an executive director.

(3) Marcelino Fernández Verdes waived his right to re-election at the General Meeting of 7 May 2021.

## 06.02.06. Remuneration Earned by the Executive Directors in 2021

Due to the exercise of rights earned in previous years related to the short-term (2019) and long-term (2015-2018) incentives plans, in 2021, the executive directors were paid the bonuses detailed in the following table:

| Remunerations collected by Executive Board Members in Financial Year 2021 |                                     |                    |                              |                                 |  |             |            |        |
|---|-------------------------------------|--------------------|------------------------------|---------------------------------|--|-------------|------------|--------|
| Directors   | Remuneration for Director functions | Fixed Remuneration | Annual Variable Remuneration | Long Term Variable Remuneration | Contributions to Long Term savings systems | Other items | TOTAL 2021 | Var.   |
| FLORENTINO PÉREZ RODRÍGUEZ  | 390                                 | 1,721              | 2,349                        | 1,362                           | 29   | 5,851       | 6,338      | -7.7%  |
| MARCELINO FERNÁNDEZ VERDES (1)  | —                                   | 687                | —                            | 1,233                           | —  | 1,920       | 4,549      | -57.8% |
| ANTONIO GARCÍA FERRER   | 365                                 | 750                | 684                          | —                               | 2  | 1,801       | 1,945      | -7.4%  |
| JOSÉ LUIS DEL VALLE PÉREZ   | 263                                 | 1,265              | 1,371                        | 657                             | 1  | 3,557       | 3,832      | -7.2%  |

(1) Until May 2021

## 07. VOTE RESULTS IN GENERAL MEETINGS

The Ordinary General Meeting, held virtually on 7 May 2021, with an attendance quorum of 61.8%, approved the 2020 Annual Report on Director Remuneration on an advisory basis, with 55.9% of the votes in favour (see detail below).

## Statistics Annex to Annual Report on Remuneration of Directors of Listed Corporations

### B.- GLOBAL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED IN THE YEAR ENDED.

B.4 Report on the result of the advisory vote of the General Meeting to the Annual Remuneration Report for the previous year, specifying the number of opposing votes cast, if any:

|            | Number      | % of total |
|------------|-------------|------------|
| Votes cast | 192,118,321 | 61.8%      |

|                | Number      | % of total |
|----------------|-------------|------------|
| Opposing votes | 66,095,235  | 34.4%      |
| Votes in favor | 107,449,128 | 55.9%      |
| Abstentions    | 18,573,958  | 9.7%       |

## C.- DETAIL OF THE INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR

| Name                           | Type           | Period accrued 2021         |
|--------------------------------|----------------|-----------------------------|
| AGUSTÍN BATUECAS TORREGO (1)   | Other External | From 1/1/2021 to 31/12/2021 |
| ANTONIO BOTELLA GARCÍA         | Independent    | From 1/1/2021 to 31/12/2021 |
| JOSÉ LUIS DEL VALLE PÉREZ      | Executive      | From 1/1/2021 to 31/12/2021 |
| JAVIER ECHENIQUE LANDIRÍBAR    | Proprietary    | From 1/1/2021 to 31/12/2021 |
| CARMEN FERNÁNDEZ ROZADO        | Independent    | From 1/1/2021 to 31/12/2021 |
| MARCELINO FERNÁNDEZ VERDES (2) | Executive      | From 1/1/2021 to 07/05/2021 |
| ANTONIO GARCÍA FERRER          | Executive      | From 1/1/2021 to 31/12/2021 |
| EMILIO GARCÍA GALLEGO          | Independent    | From 1/1/2021 to 31/12/2021 |
| JOAN DAVID GRIMÀ TERRÉ         | Other External | From 1/1/2021 to 31/12/2021 |
| MARIANO HERNANDEZ HERREROS     | Proprietary    | From 1/1/2021 to 31/12/2021 |
| PEDRO JOSÉ LÓPEZ JIMÉNEZ       | Other External | From 1/1/2021 to 31/12/2021 |
| CATALINA MIÑARRO BRUGAROLAS    | Independent    | From 1/1/2021 to 31/12/2021 |
| FLORENTINO PÉREZ RODRÍGUEZ     | Executive      | From 1/1/2021 to 31/12/2021 |
| MARÍA SOLEDAD PÉREZ RODRÍGUEZ  | Proprietary    | From 1/1/2021 to 31/12/2021 |
| MIQUEL ROCA JUNYENT            | Other External | From 1/1/2021 to 31/12/2021 |
| JOSÉ ELADIO SECO DOMÍNGUEZ     | Independent    | From 1/1/2021 to 31/12/2021 |

(1) Agustín Batuecas became an external director after the sale of Continental Rail, where he was an executive director.

(2) Marcelino Fernández Verdes waived his right to re-election at the General Meeting of 7 May 2021.



C.1 Fill in the following tables regarding the individual remuneration of each director (including remuneration for performance of executive functions) accrued in the year.

a) Remuneration from the reporting company:

i) Cash payments accrued (in thousands of euros)

| Name                          | Fixed remuneration | Attendance fees | Remuneration for membership on Board committees | Wages | Short-term variable remuneration | Long-term variable remuneration | Compensation | Other items | Total 2021 | Total 2020 |
|-------------------------------|--------------------|-----------------|---|-------|----------------------------------|---------------------------------|--------------|-------------|------------|------------|
| AGUSTÍN BATUECAS TORREGO      | 90                 | —               | —   | —     | —                                | —                               | —            | —           | 90         | 90         |
| ANTONIO BOTELLA GARCÍA        | 90                 | —               | 40  | —     | —                                | —                               | —            | —           | 130        | 130        |
| JOSÉ LUIS DEL VALLE PÉREZ     | —                  | —               | —   | 1,265 | 2,101                            | —                               | —            | —           | 3,366      | 2,636      |
| JAVIER ECHENIQUE LANDIRÍBAR   | 90                 | —               | 90  | —     | —                                | —                               | —            | —           | 180        | 180        |
| CARMEN FERNÁNDEZ ROZADO       | 90                 | —               | 122   | —     | —                                | —                               | —            | —           | 212        | 171        |
| MARCELINO FERNÁNDEZ VERDES    | —                  | —               | —   | 213   | —                                | —                               | —            | —           | 213        | 557        |
| ANTONIO GARCÍA FERRER         | 365                | —               | —   | 750   | 1,048                            | —                               | —            | —           | 2,163      | 1,799      |
| EMILIO GARCÍA GALLEGO         | 90                 | —               | 60  | —     | —                                | —                               | —            | —           | 150        | 150        |
| JOAN DAVID GRIMÀ TERRÉ        | 90                 | —               | 30  | —     | —                                | —                               | —            | —           | 120        | 120        |
| MARIANO HERNANDEZ HERREROS    | 90                 | —               | 30  | —     | —                                | —                               | —            | —           | 120        | 120        |
| PEDRO JOSÉ LÓPEZ JIMÉNEZ      | 365                | —               | —   | —     | —                                | —                               | —            | —           | 365        | 365        |
| CATALINA MIÑARRO BRUGAROLAS   | 90                 | —               | 70  | —     | —                                | —                               | —            | —           | 160        | 160        |
| FLORENTINO PÉREZ RODRÍGUEZ    | 390                | —               | —   | 1,721 | 2,409                            | —                               | —            | —           | 4,520      | 4,460      |
| MARÍA SOLEDAD PÉREZ RODRÍGUEZ | 90                 | —               | 60  | —     | —                                | —                               | —            | —           | 150        | 150        |
| MIQUEL ROCA JUNYENT           | 90                 | —               | 30  | —     | —                                | —                               | —            | —           | 120        | 120        |
| JOSÉ ELADIO SECO DOMÍNGUEZ    | 90                 | —               | 60  | —     | —                                | —                               | —            | —           | 150        | 120        |

## ii) Table of changes in share-based remuneration system and gross profit from vested financial instruments or shares

| Name       |                  | Name of the Plan | Financial instruments at the start of financial year 2021 |                       | Financial instruments provided during financial year 2021 |                       | Financial instruments consolidated during the financial year |                                     |                              |  | Matured unexercised instruments | Financial instruments at the end of financial year 2021 |                       |
|------------|------------------|------------------|---|-----------------------|---|-----------------------|--|-------------------------------------|------------------------------|--|---------------------------------|---|-----------------------|
|            |                  |                  | No. instruments   | No, equivalent shares | No. instruments   | No, equivalent shares | No. instruments  | No, equivalent/ consolidated shares | Price of consolidated shares | Gross Benefit of the shares or consolidated financial instruments (thousand Euros) | No. instruments                 | No. instruments   | No, equivalent shares |
| FLORENTINO | PÉREZ RODRÍGUEZ  | P.O. ACS 2018    | 500   | 500                   | —   | —                     | —  | —                                   | —                            | —  | —                               | 500   | 500                   |
| MARCELINO  | FERNÁNDEZ VERDES | P.O. ACS 2018    | 500   | 500                   | —   | —                     | —  | —                                   | —                            | —  | —                               | 500   | 500                   |
| JOSÉ LUIS  | DEL VALLE PÉREZ  | P.O. ACS 2018    | 275   | 275                   | —   | —                     | —  | —                                   | —                            | —  | —                               | 275   | 275                   |

## iii) Long-term savings systems

| Name                       | Remuneration for consolidation of rights to savings systems |
|----------------------------|---|
| FLORENTINO PÉREZ RODRÍGUEZ | 1,362   |
| MARCELINO FERNÁNDEZ VERDES | 624   |
| JOSÉ LUIS DEL VALLE PÉREZ  | 657   |

| Name                       | Contribution of the exercise by the Company<br>(thousands of Euros) |                     |  |                     | Amount of the accumulated funds (thousands of Euros) |  |  |  |
|----------------------------|---|---------------------|--|---------------------|--|--|--|--|
|                            | Savings systems with consolidated financial rights                  |                     | Savings systems with non consolidated financial rights |                     |  |  |  |  |
|                            | 2021 Financial Year   | 2020 Financial Year | 2021 Financial Year                                    | 2020 Financial Year | 2021 Financial Year                                  |  | 2020 Financial Year                        |  |
|                            |   |                     |  |                     | Systems with consolidated financial rights           | Systems with non consolidated financial rights | Systems with consolidated financial rights | Systems with non consolidated financial rights |
| FLORENTINO PÉREZ RODRÍGUEZ | 1,362   | 1,362               | —  | —                   | 46,588   | —  | 45,208                                     | —  |
| MARCELINO FERNÁNDEZ VERDES | 624   | 690                 | —  | —                   | 8,865  | —  | 8,240                                      | —  |
| ANTONIO GARCÍA FERRER      | —   | —                   | —  | —                   | 3,754  | —  | 3,825                                      | —  |
| JOSÉ LUIS DEL VALLE PÉREZ  | 657   | 657                 | —  | —                   | 12,186   | —  | 11,527                                     | —  |

## iv) Detail of other items

| Name                       | Item           | Remuneration amount |
|----------------------------|----------------|---------------------|
| FLORENTINO PÉREZ RODRÍGUEZ | LIFE INSURANCE | 29                  |
| ANTONIO GARCÍA FERRER      | LIFE INSURANCE | 2                   |
| JOSÉ LUIS DEL VALLE PÉREZ  | LIFE INSURANCE | 1                   |



## ii) Table of changes in share-based remuneration system and gross profit from vested financial instruments or shares

No data available

## iii) Long-term savings systems

| Name                       | Remuneration for consolidation of rights to savings systems |
|----------------------------|---|
| MARCELINO FERNÁNDEZ VERDES | 609   |

| Name | Contribution of the exercise by the Company (thousands of Euros) |                     |  |                     | Amount of the accumulated funds (thousands of Euros) |  |  |  |
|------|--|---------------------|--|---------------------|--|--|--|--|
|      | Savings systems with consolidated financial rights               |                     | Savings systems with non consolidated financial rights |                     | 2021 Financial Year                                  |  | 2020 Financial Year                        |  |
|      | 2021 Financial Year  | 2020 Financial Year | 2021 Financial Year                                    | 2020 Financial Year | Systems with consolidated financial rights           | Systems with non consolidated financial rights | Systems with consolidated financial rights | Systems with non consolidated financial rights |
|      | MARCELINO FERNÁNDEZ VERDES                                       | 609                 | 1,704  | —                   | —  | 15,081   | —  | 14,472   |

## iv) Detail of other items

| Name                     | Item           | Remuneration amount |
|--------------------------|----------------|---------------------|
| AGUSTÍN BATUECAS TORREGO | LIFE INSURANCE | 1                   |

## c) Remuneration summary (in thousands of euros):

The summary must include the amounts relating to all the remuneration items included in this report that were accrued by the director, in thousands of euros.

| Name                          | Remuneration accrued at the Company |   |                                 |                             |                    | Remuneration accrued at Group companies |   |                                 |                             |                  | Total 2021 Company + Group |
|-------------------------------|-------------------------------------|---|---------------------------------|-----------------------------|--------------------|---|---|---------------------------------|-----------------------------|------------------|----------------------------|
|                               | Total cash payments                 | Gross Benefit of the shares or consolidated financial instruments | Remuneration by savings systems | Remuneration by other items | Total Company 2020 | Total cash payments                     | Gross Benefit of the shares or consolidated financial instruments | Remuneration by savings systems | Remuneration by other items | Total Group 2021 |                            |
| AGUSTÍN BATUECAS TORREGO      | 90                                  | —   | —                               | —                           | 90                 | 343                                     | —   | —                               | 1                           | 344              | 434                        |
| ANTONIO BOTELLA GARCÍA        | 130                                 | —   | —                               | —                           | 130                | —                                       | —   | —                               | —                           | —                | 130                        |
| JOSÉ LUIS DEL VALLE PÉREZ     | 3,366                               | —   | 657                             | 1                           | 4,024              | 267                                     | —   | —                               | —                           | 267              | 4,291                      |
| JAVIER ECHENIQUE LANDIRÍBAR   | 180                                 | —   | —                               | —                           | 180                | 42                                      | —   | —                               | —                           | 42               | 222                        |
| CARMEN FERNÁNDEZ ROZADO       | 212                                 | —   | —                               | —                           | 212                | —                                       | —   | —                               | —                           | —                | 212                        |
| MARCELINO FERNÁNDEZ VERDES    | 213                                 | —   | 624                             | —                           | 837                | 474                                     | —   | 609                             | —                           | 1,083            | 1,920                      |
| ANTONIO GARCÍA FERRER         | 2,163                               | —   | —                               | 2                           | 2,165              | —                                       | —   | —                               | —                           | —                | 2,165                      |
| EMILIO GARCÍA GALLEGO         | 150                                 | —   | —                               | —                           | 150                | —                                       | —   | —                               | —                           | —                | 150                        |
| JOAN DAVID GRIMÀ TERRÉ        | 120                                 | —   | —                               | —                           | 120                | —                                       | —   | —                               | —                           | —                | 120                        |
| MARIANO HERNANDEZ HERREROS    | 120                                 | —   | —                               | —                           | 120                | 84                                      | —   | —                               | —                           | 84               | 204                        |
| PEDRO JOSÉ LÓPEZ JIMÉNEZ      | 365                                 | —   | —                               | —                           | 365                | 581                                     | —   | —                               | —                           | 581              | 946                        |
| CATALINA MIÑARRO BRUGAROLAS   | 160                                 | —   | —                               | —                           | 160                | —                                       | —   | —                               | —                           | —                | 160                        |
| FLORENTINO PÉREZ RODRÍGUEZ    | 4,520                               | —   | 1,362                           | 29                          | 5,911              | —                                       | —   | —                               | —                           | —                | 5,911                      |
| MARÍA SOLEDAD PÉREZ RODRÍGUEZ | 150                                 | —   | —                               | —                           | 150                | 84                                      | —   | —                               | —                           | 84               | 234                        |
| MIQUEL ROCA JUNYENT           | 120                                 | —   | —                               | —                           | 120                | —                                       | —   | —                               | —                           | —                | 120                        |
| JOSÉ ELADIO SECO DOMÍNGUEZ    | 150                                 | —   | —                               | —                           | 150                | —                                       | —   | —                               | —                           | —                | 150                        |
| <b>TOTAL</b>                  | <b>12,209</b>                       | <b>—</b>  | <b>2,643</b>                    | <b>32</b>                   | <b>14,884</b>      | <b>1,875</b>                            | <b>—</b>  | <b>609</b>                      | <b>1</b>                    | <b>2,485</b>     | <b>17,369</b>              |

C.2 Indicate the changes in the last five years in the amount and the percentage variation of the remuneration accrued by each of the directors of the listed company who have held this position during the year, the consolidated results of the Company and the average remuneration on a basis equivalent to full-time employees of the Company and its subsidiaries who are not directors of the listed company.

| Name                              | Type           | Remuneration 2021                | % variation 2021/2020 | Remuneration 2020                | % variation 2020/2019 | Remuneration 2019                | % variation 2019/2018 | Remuneration 2018                | % variation 2018/2017 | Remuneration 2017                |
|-----------------------------------|----------------|----------------------------------|-----------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|----------------------------------|
| FLORENTINO PÉREZ RODRÍGUEZ        | Executive      | 5,911                            | 1.08%                 | 5,848                            | -7.51%                | 6,323                            | -6.45%                | 6,759                            | 41.37%                | 4,781                            |
| ANTONIO GARCÍA FERRER             | Executive      | 2,165                            | 20.08%                | 1,803                            | -7.25%                | 1,944                            | -8.39%                | 2,122                            | 14.21%                | 1,858                            |
| MARCELINO FERNÁNDEZ VERDES        | Executive      | 1,920                            | -57.79%               | 4,549                            | 1.74%                 | 4,471                            | -60.03%               | 11,187                           | -44.34%               | 20,100                           |
| JOSÉ LUIS DEL VALLE PÉREZ         | Executive      | 4,291                            | 20.94%                | 3,548                            | -7.24%                | 3,825                            | -8.93%                | 4,200                            | 36.28%                | 3,082                            |
| AGUSTÍN BATUECAS TORREGO          | Other external | 434                              | -20.80%               | 548                              | 0.00%                 | 548                              | 0.74%                 | 544                              | -2.16%                | 556                              |
| ANTONIO BOTELLA GARCÍA            | Independent    | 130                              | 0.00%                 | 130                              | 0.00%                 | 130                              | 0.00%                 | 130                              | -0.76%                | 131                              |
| JAVIER ECHENIQUE LANDIRÍBAR       | Proprietary    | 222                              | 0.00%                 | 222                              | 0.00%                 | 222                              | 0.00%                 | 222                              | 4.72%                 | 212                              |
| CARMEN FERNÁNDEZ ROZADO           | Independent    | 212                              | 23.98%                | 171                              | 6.88%                 | 160                              | 0.00%                 | 160                              | 25.98%                | 127                              |
| EMILIO GARCÍA GALLEGO             | Independent    | 150                              | 0.00%                 | 150                              | 0.00%                 | 150                              | 0.00%                 | 150                              | 2.74%                 | 146                              |
| JOAN DAVID GRIMÀ TERRÉ            | Other external | 120                              | 0.00%                 | 120                              | 0.00%                 | 120                              | 0.00%                 | 120                              | 12.15%                | 107                              |
| MARIANO HERNANDEZ HERREROS        | Proprietary    | 204                              | 0.00%                 | 204                              | 0.00%                 | 204                              | -14.64%               | 239                              | 25.13%                | 191                              |
| PEDRO JOSÉ LÓPEZ JIMÉNEZ          | Other external | 946                              | -0.21%                | 948                              | 1.39%                 | 935                              | 6.01%                 | 882                              | -10.64%               | 987                              |
| CATALINA MIÑARRO BRUGAROLAS       | Independent    | 160                              | 0.00%                 | 160                              | 0.00%                 | 160                              | 0.00%                 | 160                              | 14.29%                | 140                              |
| MARÍA SOLEDAD PÉREZ RODRÍGUEZ     | Proprietary    | 234                              | 0.00%                 | 234                              | 0.00%                 | 234                              | -5.65%                | 248                              | 10.22%                | 225                              |
| MIQUEL ROCA JUNYENT               | Other external | 120                              | 0.00%                 | 120                              | 0.00%                 | 120                              | 0.00%                 | 120                              | 5.26%                 | 114                              |
| JOSÉ ELADIO SECO DOMÍNGUEZ        | Independent    | 150                              | 25.00%                | 120                              | 0.00%                 | 120                              | 0.00%                 | 120                              | 12.15%                | 107                              |
| <b>TOTAL</b>                      |                | 17,369                           | -7.98%                | 18,875                           | -4.02%                | 19,666                           | -28.13%               | 27,363                           | -16.74%               | 32,864                           |
|                                   |                | Average yearly remuneration 2021 | % variation 2021/2020 | Average yearly remuneration 2020 | % variation 2020/2019 | Average yearly remuneration 2019 | % variation 2019/2018 | Average yearly remuneration 2018 | % variation 2018/2017 | Average yearly remuneration 2017 |
| Average remuneration of employees |                | 45                               | 15.74%                | 39                               | 3.45%                 | 37                               | 4.66%                 | 36                               | -2.9%                 | 37                               |
|                                   |                | 2021 Results                     | % variation 2021/2020 | 2020 Results                     | % variation 2020/2019 | 2019 Results                     | % variation 2019/2018 | 2018 Results                     | % variatio 2018/2017  | 2017 Results                     |
| Company's Consolidated Results    |                | 3,045                            | 430.49%               | 574                              | -40.33%               | 962                              | 5.02%                 | 916                              | 14.2%                 | 802                              |

This Annual Remuneration Report was approved by the Board at its meeting on 24 March 2022.

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

Yes                      No    X



## Declaration of Responsibility and Authorisation for Issue

The Board members declare that, to the best of their knowledge, the Consolidated Annual Accounts (Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements) have been prepared in accordance with the applicable accounting principles, and in accordance with the format (and labelling) requirements set out in Commission Delegated Regulation (EU) 2019/815, provide a true and fair view of the equity, financial position and results of ACS, Actividades de Construcción y Servicios, S.A. and its consolidated companies, taken as whole, and that the directors' report approved (which contains the consolidated non-financial information statement, the annual corporate governance report and the annual remuneration report) includes a fair analysis of the business performance and results and of the position of ACS, Actividades de Construcción y Servicios, S.A. and its consolidated companies, taken as whole, together with a description of the main risks and uncertainties that they face. Pursuant to current law, the Board members sign this declaration of responsibility, the Consolidated Annual Accounts and the directors' report of ACS, Actividades de Construcción y Servicios, S.A. and the subsidiaries comprising the ACS Group, prepared in accordance with current standards and International Financial Reporting Standards (IFRSs), for the year ended 31 December 2021, set forth on 519 sheets of plain paper, including this sheet, all of which are signed by the Chairman and the Secretary to the Board.

|   |   |
|---|---|
| Florentino Pérez Rodríguez<br>(Chairman and CEO)              | Antonio García Ferrer<br>(Deputy Chairman)      |
| Agustín Batuecas Torrego<br>(Board member)                    | Antonio Botella García<br>(Board member)        |
| Javier Echenique Landiribar<br>(Board member)                 | Carmen Fernández Rozado<br>(Board member)       |
| Emilio García Gallego<br>(Board member)                       | Joan-David Grimá i Terré<br>(Board member)      |
| Mariano Hernández Herreros<br>(Board member)                  | Pedro José López Jiménez<br>(Board member)      |
| Catalina Miñarro Brugarolas<br>(Board member)                 | María Soledad Pérez Rodríguez<br>(Board member) |
| Miguel Roca i Junyent<br>(Board member)                       | José Eladio Seco Domínguez<br>(Board member)    |
| José Luis del Valle Pérez<br>(Director and Secretary General) |   |

Director Miguel Roca i Junyent did not sign the annual accounts as he was unable to attend the Board meeting, but indicated his approval of them.

Madrid, 24 March 2022