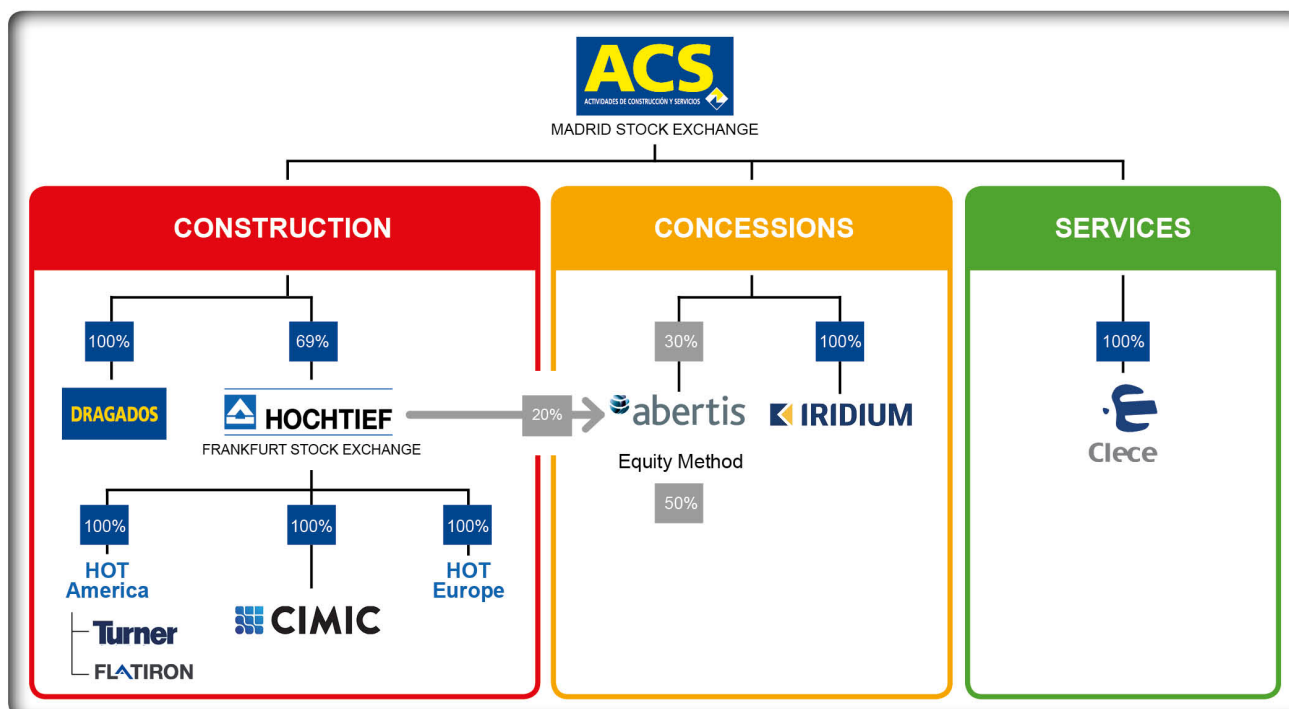


5.0. ACS GROUP BUSINESS MODEL



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 performing all types of infrastructure projects, both in civil engineering (bridges, roads, railways, hydraulics, etc.) and in building (hospitals, commercial buildings, industrial facilities, social and leisure buildings, etc.); it also provides services to develop and maintain infrastructure necessary for society (energy, transport, communications and technology, natural resources and water treatment). 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 performed 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, and 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. SUSTAINABILITY 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 ACS' Board on 28 July 2022. This policy defines the principles of action for the ACS Group in this area, and the Group's relationship with its environment.

Also, in December 2021, the Board of the ACS Group approved the 2025 Sustainability Master Plan establishing the Group's sustainability strategy, setting out the commitments and strategic lines to continue "Driving the Global Sustainability of Infrastructure", and the sustainability targets set for 2025.

As part of the Group's commitment to information transparency, the description of the existing policies to non-financial issues, and the results of the policies, is presented throughout this Consolidated Non-Financial Statement,

including key performance indicators. 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 adhering to the standard (ISAE) 3000.

The report was selected based on a preliminary materiality analysis that identified the most relevant issues for the company and its stakeholders. This analysis identifies the main risks and opportunities associated with these matters that may affect the creation of value of ACS Group businesses, and the external impacts that the development of ACS Group activity may entail on the economy, society and the environment.

The detailed conclusions of this analysis, and the material issues identified, can be consulted in section 7.2., but as a summary, the future scenario in which the ACS Group will perform its activity in the coming years will be marked by the following challenges and opportunities specified in point 2.2.1:

- Inflation and tensions in the supply chain
- Limitation of material resources and human resources
- Geopolitical instability
- Interest rate rise
- Population growth and urbanisation
- New technologies
- New sources of financing
- Obsolete assets
- Climate change and decarbonisation
- Stimulus plans and deglobalisation



For further information:
2.2. A strategy focused on creating shared value



Sustainability Master Plan 2025



7.2. Identification of relevant issues

5.0.2. RISKS

In regard to risk management, the ACS Group performs 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, and the Integrated Risk Control and Management System.

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. Its latest version of which was approved last December 2022.

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. The Corporate Unit is responsible for determining the basic guidelines to unify 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 necessary and appropriate internal regulations so that, based on the particularities of their activity, they implement internal control to ensure its optimum level.

The Board of the Parent Company of the Group has established a framework of appropriate policies and controls to prevent corruption and other irregular practices, and to identify, assess, manage and control the risks, both financial and non-financial, and 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 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 Directors Remuneration Report (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.



In relation to non-financial risks, according to the Group's risk map, the main risks related to the issues discussed in this EINF that were detected and that may have an impact on the development of the Group's activity are:

Natural catastrophes and pandemics 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 towards achieving 'zero-accident' operations.

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 perform 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, and 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, and 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.

Environment and circular economy: the inappropriate use or lack of use of the natural resources necessary for the development of activities that does not contribute to a circular economy model can trigger their scarcity and exhaustion and generate a negative impact on protected areas or high ecological value, and the performance of activities in areas already affected, may entail a limitation of resources and opposition from local communities.

Climate change and energy efficiency: the occurrence of natural disasters or other events arising from climate change, and the failure to comply with new regulations and environmental and energy efficiency regulations can impact the Group's activities and their cost.

The description of the main non-financial risks, the detection, prevention, management and mitigation measures, and the management indicators and applicable policies, are detailed in each of the corresponding chapters of this NFIS. In addition to these risks identified in the risk map, there are a number of emerging risks which, although they currently take place, it is considered that their impact on the development of the Group's activities will be significantly extended over the long term (> 5 years) and the description, impact and mitigation actions of which are detailed in annex 7.3.3. of this report.

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 anti-corruption and bribery, and personnel issues.

The evolution of the main indicators for the non-financial management of the ACS Group is shown below:

Evolution of relevant NFS indicators		
	2021	2022
Environmental issues		
Percentage of operations covered by ISO 14001 Certification	87.1%	89.6%
Hazardous waste (t)	400,892	138,334
Non-hazardous waste (t)	18,344,366	15,761,762
Scope 1 emissions (tCO ₂)	381,261	389,195
Scope 2 emissions (tCO ₂)	120,294	121,602
Scope 3 emissions (tCO ₂)	3,495,018	4,192,735
Total energy consumption (MWh)	1,863,998	1,852,102
Electricity consumption from renewable sources (MWh)	70,556	57,979
Social and personnel issues		
December 31 Workforce	122,502	128,721
% Men workforce	42.0%	43.3%
% Women workforce	58.0%	56.7%
% Mid-level educational degrees and above	16.2%	16.0%
% Non-qualified technicians and Administrative staff	17.1%	17.3%
% Other staff	66.7%	66.7%
% Permanent Contracts	72.3%	81.3%
% Temporary Contracts	27.7%	18.7%
Number of women in management positions	2,318	2,745
% Employees in centres covered by Equality Plans	95.9%	96.1%
% Employees in centres with Universal Accessibility	100.0%	100.0%
Employees belonging to vulnerable groups	10,320	10,981
Total teaching hours given	963,760	1,048,174
Employees participating in training activities	55,954	68,462
Investment in training per employee (of total employees trained) (euros)	264	261
Percentage of total employees covered by ISO 45001 certification (Occupational Health and Safety)	91.6%	88.6%
Percentage of total employees who have received at least one occupational health and safety course in their professional career	99.7%	100.0%
Investment in occupational health and safety per employee (euros/employee)	694.9	881.0
Frequency Rate	13.60	15.11
Severity Rate	0.38	0.46
Incidence Rate	25.60	27.13

Evolution of relevant NFS indicators

	2021	2022
Ethics, human rights, contribution to society		
Number of employees trained in Human Rights, Ethics, Integrity, Conduct in the year or other compliance policies and procedures	39,337	35,148
Number of courses given with content on Human Rights, Ethics, Integrity, Conduct or other compliance policies and procedures	455	477
Funds allocated to Social Action (millions of euros)	11.9	14.3
Other information on the company		
Companies with formal supplier/subcontractor approval systems	97.7%	99.0%
Weighted average expenses that have the sustainability-related factors (environmental, ethical and social criteria) out of the total factors used in the approval systems	35.2%	36.4%
Frequency Rate (contractors)	3.01	2.93
Severity Rate (contractors)	0.12	0.11
Percentage of turnover from activities certified under the ISO 9001 standard (%)	45.9%	43.2%
Investments and expenses of the Quality Control Department or earmarked to improve quality management processes to turnover (excluding staff costs, millions of euros turnover)	0.81	1.31
Number of quality audits per million euros of billings	0.46	0.38
Investment R & D (million euros) (1)	36.45	27.49

(1) Scope of data in 2021 and 2022 of 21.0% and 19.4%, 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 2021 data were recalculated with the same scope as the data reported in 2022, and in those cases in which the data could not be recalculated retroactively, the historical data is provided for information purposes.

The scope of the information included in this NFS is shown specifically for each indicator in point 7.3.6. 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 7.3.6) or changes in the format of a report to adapt them to national and international requirements.

