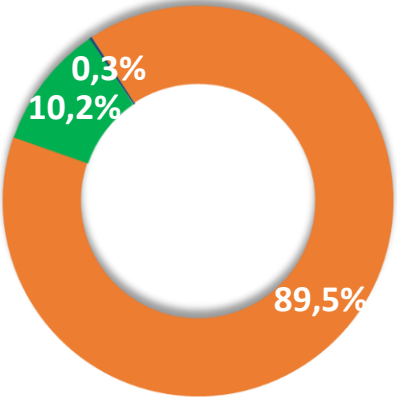


ACS GROUP'S SUPPLY CHAIN ANALYSIS IN 2022

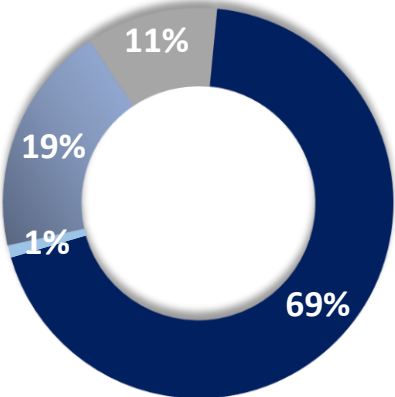
Total Procurements: € 23,375mn

Procurements breakdown by concept



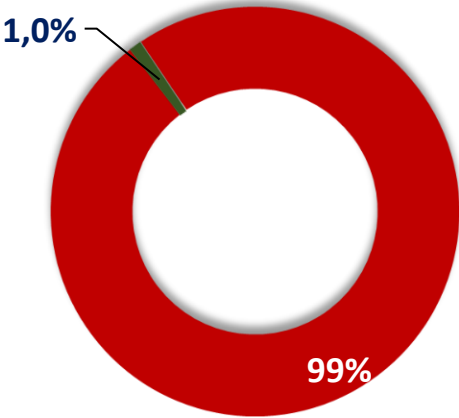
- Cost of merchandise sold
- Cost of raw materials and other consumables used
- Contract work carried out by other companies

Procurements breakdown by geographical areas



- Europe
- North America
- South America
- Asia Pacific

Procurements breakdown by activity



- Construction and Concessions
- Services

Total number of suppliers (tier-1): 77,851

Total number of critical suppliers (tier-1)*: 5,888

Total number of critical suppliers (non-tier-1)*: 50,073

*Critical suppliers: one whose procurement is essential to company's viability and/or provides competitive advantage. They can be suppliers with a high volumen of purchases , suppliers of critical components and/or non-replaceable suppliers.

SUPPLIER APPROVAL AND ANALYSIS SYSTEMS

- The Board of Directors of the ACS Group approved the Code of Conduct for Business Partners, last updated on 27 February 2023, which outlines the basic principles that must govern the relationship between the Business Partners and the ACS Group.
- 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 decentralization 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 mode.
- The responsible management model for the ACS Group supply chain begins with the approval of suppliers and subcontractors, in which compliance with the fundamental criteria established by the ACS Group to become a part of the Group's supply chain is assessed. Thus, in companies that represent the 99.0% 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 36.4% in 2022. Specific aspects assessed include certifications in environmental aspects (ISO14001, EMAS or similar), certifications in quality aspects (ISO 9001 and similar standards), adherence to international Human Rights and labour rights standards and analysis of the labour standards and practices of suppliers and subcontractors, among others. In 2022, 59.5% the suppliers with which the Group has worked have adhered to ethical, social and environmental commitment standards or have certificates in this area.

SISTEMAS DE HOMOLOGACIÓN DE PROVEEDORES

- For significant suppliers, the different ACS Group subsidiaries have implemented systems for the pre-qualification and monitoring of possible supplier risks. For example, in 2021, Clece implemented GoSupply, an intelligent platform which monitors possible supplier risks in real time and which integrates third-party data sources such as Dow Jones, Refinitiv, Moody's, Informa D&B, Serasa and Aenor. HOCHTIEF, on the other hand, developed a complete pre-qualification system based on six steps that can be consulted on its website (For business partners - HOCHTIEF), Within this analysis, a first step of analysis is carried out through questionnaires that are completed by the companies and supplemented with information from external rating agencies to independently evaluate their suppliers in terms of sustainability. Thus, since 2021, HOCHTIEF has been working with Integrity Next.
- In any case, all ACS Group subsidiaries must comply with the due diligence process established in the Compliance Policy for International Sanctions imposed on third parties established to help identify restricted persons and organizations, as well as the restricted activities to which ACS may be exposed. These obligations help to identify areas of potential risk in relation to International Sanctions and help to make risk decisions that are in line with the Organization's strategy.
- 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 2022, 61,169 suppliers had been assessed at least once in the last three years, representing 78.6% 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.

SUPPLIER APPROVAL AND ANALYSIS SYSTEMS

- 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 97.6% of the Group's procurement expenses have designed processes to identify critical suppliers.
- As a result of these processes, the main data from the analysis of critical suppliers is as follows:
 - Of the total suppliers of the ACS Group, 7.6% are suppliers considered critical.
 - These suppliers represent 72.3% 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, ACS Group companies identified their direct critical suppliers (tier-1 critical suppliers). In 2022, the ACS Group evaluated the 5,152 tier-1 critical suppliers in terms of sustainability of 5,888 identified tier-1 critical suppliers, representing 87.5% of the total. Of these 5,152 critical tier-1 suppliers assessed, 0.1% of them at risk in terms of sustainability, and the lack of certificates, breaches or other risks detected is understood as such. Depending on the risks detected the reasons for the negative assessment are analyzed 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 2022 reached 50,073 suppliers in this category.

Significan suppliers	2022
Significant suppliers assessed	44,231
Number of significant suppliers identified as having potential ESG impacts	2,746
Number of significant suppliers with improvement or corrective plans in place	2,461
Number of suppliers that have had their contractual relationship terminated	7
Number of suppliers in training programs	895

- The ACS Group's [2025 Sustainability Master Plan](#) sets out the initiatives and objectives to ensure responsible management of the supply chain, through the extension and supervision of best ESG practices in the supply chain, value creation for the local community and reduction of environmental impact.