



## Sustainability Policy

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2	December 17, 2020	Board of directors	Compliance Committee	Adaptation to the new wording of recommendations no. 54 and 55 of the Corporate Governance Code of Listed companies, as amended by the CNMV on June 26, 2020.

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## 1 PURPOSE

The Board of Directors of ACS, Actividades de Construcción y Servicios S.A., (hereinafter the “Company”) under Section 5.2.m) of the current Regulations of the Board of Directors, has among its non-delegable powers the authority to approve the Company’s policy on corporate social responsibility and sustainability.

Accordingly the Board of Directors has resolved to expand the current Corporate Social Responsibility Policy to address certain issues regarding environmental and social matters so that this Policy shall hereinafter be known as the “Sustainability Policy” (hereinafter the “Policy”). This Policy sets out the principles governing the action of ACS, Actividades de Construcción y Servicios, S.A. and its Group companies (the “ACS Group” or the “Group”) in these matters and the relationship of the Group with its setting.

This Sustainability Policy is supported by different policies and specific codes of action which meet certain needs for information and/or action required by the circumstances or the Company’s stakeholders. The Company will also develop any necessary supporting instruments enabling the Group to comply with any principles, commitments, objectives and strategies regarding environmental and social matters established by this Policy.

## 2 CORPORATE STRATEGY

The ACS Group is positioned as one of the world leaders in the infrastructure development industry, with a clear and defined mission: to pursue global leadership by optimizing the profitability of the resources used and promoting sustainable development, thus generating shared value for all its stakeholders and fostering sustainable growth and profitability for its shareholders.

In this regard, the improvement of society, generating wealth to secure the well-being of the citizens that it ultimately serves, is an essential part of the mission of the ACS Group.

The commitment of the ACS Group to society is summarized in the following areas of action:

1. Respect for ethics, integrity and professionalism in the Group's relationship with its Stakeholders.
2. Respect for the economic, social and environmental setting.
3. Promotion of innovation and research in the development of infrastructures.
4. Creation of employment and well-being, as an economic driver for society.
5. Adequate and rigorous management of non-financial risks that may affect the Group, maximizing the positive impacts and minimizing any negative effects derived from the activities of the Group.

The corporate values that the ACS Group has developed throughout its history form the basis for the action of all Group employees. Such values are the following:

- Commitment to their work.
- Respect for integrity.
- Excellence in their professional activity.
- Seeking client's trust.
- Profitability.

The ACS Group has a decentralized structure and operates through an extensive group of companies that share its culture and values, each of them in turn operating with its own independent management systems. Therefore, the sustainability efforts of the ACS Group bring together the contributions of all its companies that implement action policies autonomously and manage their resources in the most efficient way possible, always based on the common principles and objectives defined in this Sustainability Policy.

### 3 BASIC PRINCIPLES OF ACTION

The Group defines stakeholders as those groups that have the capacity to influence the achievement of the organization's objectives. Outstanding among these are its clients, employees, suppliers, shareholders and infrastructure users who benefit from its quality, innovation, social action and environmental policies.

The basic principles of action of the ACS Group concerning its stakeholders and the setting are based on compliance with domestic and international laws and regulations in force in the countries where it operates, as well as with the international commitments related to sustainability voluntarily subscribed to by the Group. The Group is also committed to operating its business based on the fundamental principles of information transparency, ethics and integrity.

#### 3.1 *Information Transparency.*

The Group is committed to full transparency and rigour in the information released by it, always respecting the interests of clients and other stakeholders related to the Group.

This commitment to transparency materializes into the following guidelines for action:

- 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 audiences recognize it as a solid and well-managed group in Spain and abroad.
- Contributing to a positive corporate image, which helps to achieve business objectives and commercial activities.
- Maintaining a fluid relationship with the Group's stakeholders.

The ACS Group manages its commitment to transparency to its stakeholders through the operating companies themselves, through investor

communication and relation and shareholder service departments, as well as through its website.

### **3.2 Ethics and Integrity.**

The ACS Group and its group companies are committed to promoting, reinforcing and controlling issues in matters related to ethics and integrity, through measures to prevent, detect and eradicate corruption and other illegal practices. The Group encourages knowledge of the general principles of conduct, ethics and integrity by all employees, clients, suppliers and subcontractors.

One of the fundamental tools to comply with this principle is the Code of Conduct<sup>1</sup> of the ACS Group, approved by the Board of Directors. The Group Ethical Channel is available to employees and other persons related to the Company, such as directors, shareholders, suppliers, contractors or subcontractors, who wish to report any incidents or raise any concerns related to this Code of Conduct. This is coupled with an instrument of control, namely the Code of Conduct Monitoring Committee, reporting to the Board of Directors.

### **3.3 Compliance with laws.**

The Group seeks to ensure compliance with applicable legislation in all the regions where the Group operates, as well as with good corporate governance practices and other international commitments voluntarily assumed by the organization. The Group is committed to depart from any conduct which, even if not a statutory breach, may endanger the reputation of the Group.

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<sup>1</sup> [http://www.grupoacs.com/index.php/es/c/gobiernocorporativo\\_codigodeconducta](http://www.grupoacs.com/index.php/es/c/gobiernocorporativo_codigodeconducta).



### **3.4 Respect for human rights.**

In compliance with the principles of the United Nations Global Compact, the ACS Group is firmly committed to respecting Human Rights in all its operations and activities.

### **3.5 Promotion of a quality environment based on the development of talent, diversity and equality.**

The ACS Group is committed to the well-being of its employees and continuously attempts to improve their skills, abilities, their degree of responsibility and their motivation as a fundamental part of our business success, while guaranteeing respect for people and the principles of equal opportunities and non-discrimination.

### **3.6 Health and safety at work.**

The Group considers the safety and health of its employees, suppliers, contractors and collaborating companies as a strategic pillar. Accordingly, the Group makes every effort to guarantee the highest standards in this matter and achieve a zero accident goal that the Company has set for itself.

### **3.7 Protection of the environment and fight against climate change.**

The ACS Group combines its business objectives with the protection of the environment and the adequate management of the expectations of its stakeholders in this area. In this regard, the Group is guided by the principles of caution and respect and conservation of the natural environment, to minimize the impact of its operations. Similarly, the Group aims to contribute to a transition towards a low-carbon economy by introducing climate change adaptation and mitigation measures in its activities, as well as identifying opportunities for the promotion of products and services that respect the environment and minimize the impact of such activities.

The main environmental measures applied by the ACS Group companies are governed by the basic principles set out in the Group's Environmental Policy,

focused on four areas of action: energy and emissions (including issues related to climate change), circular economy, efficient use of water resources and biodiversity.

Specifically, and from an operational point of view, the main environmental measures revolve around four key risks:

- The fight against climate change.
- The promotion of eco-efficiency.
- Saving water.
- Respect for biodiversity.

In order to articulate and deploy a policy based on these environmental commitments, the most significant ones are identified at the corporate level and then compared with the management systems of each company and the environmental priorities for each business. For each of these priorities, objectives and improvement programs are established for each company or groups of companies. The responsibility of supervising the environmental performance of the Group rests with the Environmental Department of each group of companies.

### **3.8 Excellence and innovation**

The Group believes that service quality and excellence is an essential competitive advantage. Accordingly, the Group promotes innovation and research focused on finding solutions to improve processes, incorporate technological advances and enhance the quality and sustainability of the services offered by the Group.

Each Group company adapts its needs to the specific characteristics of its type of production, by promoting:

- The regular setting of quality goals and the monitoring of compliance with such goals.

- The development of initiatives and measures intended to improve the quality of its services.
- Specific collaboration activities with suppliers and subcontractors to improve quality.

The quality departments of the different groups of companies in the Group are responsible for implementing their own quality management systems.

Also, the R&D&I management system is at the service of the general research strategy of each of the companies which, despite their specific characteristics, encourage the following lines of action:

- Development of strategic lines of research for each company.
- Strategic collaboration with external organizations.
- Responsible investment, to promote research and generate patents and operational techniques both steadily and efficiently.

### **3.9 Tax responsibility**

The ACS Group aspires to be a key agent in the economic and social development of the communities where it operates. Therefore, it strictly monitors the payment of all its tax obligations under existing tax laws in the different countries where it operates, as a value distributed to society, avoiding the concealment of relevant information, the illegal avoidance of tax payments or obtaining undue tax benefits. The Group has adhered to the Code of Good Tax Practices of the Spanish Tax Agency.

## **4 RELATIONSHIP WITH STAKEHOLDERS**

### **4.1 Clients**

The commitment of the Group to its clients is dealt with from a clear strategy based around the following principles:

- Problem-solving orientation within the shortest possible time frame.

- Building stable, honest and trustworthy relationships with clients.
- Information on the capabilities of the Group.
- Identification of future needs and opportunities for collaboration.
- The pursuit of the best technical and economic solution for clients.
- Responsible use of information, thus guaranteeing data protection and client confidentiality.

Each company's contract management department is responsible for managing these principles, thereby promoting:

- Monitoring of client needs.
- Periodic measurement of client satisfaction.
- Foreseeing upcoming client needs.

## 4.2 Employees

The General Code of Conduct of the Group is a guide for the professional performance of all Group employees and managers concerning their work, the resources used and the business environment, as well as for all the subsidiaries and affiliates managed by the Group.

The basic principles for action in the General Code of Conduct are as follows:

- Integrity: the Group promotes among its employees the recognition of standards of conduct appropriate to the ethical principles of good faith, as evidenced by values such as loyalty to the company and the defence of the interests of the Group; compliance with applicable laws; honesty in the fight against and enforcement of the prohibition of bribery and corruption; avoidance of any kind of conduct and procedure qualifying as unfair competition; and commitment to confidentiality.

- Professionalism: the employees and managers of the Group must stand out for their high level of professionalism, supported by efficient performance and focused on excellence and quality of service. In this regard, their behaviour must be based on the principles of quality and innovation of its products and services; client orientation; efficient use and protection of business assets; establishment of stable relationships based on trust and mutual benefit with collaborating companies and suppliers; and a commitment to information transparency.
- Respect for People and the Environment: the Group assumes the commitment to act in accordance with the United Nations Global Compact initiative. The Group has joined the UN Global Compact since its inception. In this regard, all actions taken by the Group and its employees will fully respect all Human Rights and Civil Liberties included in the Universal Declaration of Human Rights. The relationship of the Group with its employees, as well as the relationship among employees, is therefore based on the following commitments:
  - Encouraging the professional and personal development of all its employees, ensuring equal opportunities.
  - Non-discrimination based on race, nationality, social origin, age, sex, marital status, sexual orientation, ideology, political or union opinions, religion or any other personal, physical or social condition.
  - The companies of the Group will maintain a training policy for their employees' learning and personal and professional development.
  - Commitment to health and safety at work, providing its employees with a safe and stable environment, continuously updating occupational risk prevention measures and respecting all applicable

regulations on this matter in all locations where the Group carries out its business.

- Eradication of child labour.
- Eradication of forced labour.
- Respecting the rights of minorities.

### 4.3 Suppliers

The ACS Group has a relationship model with suppliers, contractors and business partners that seeks to guarantee a responsible, fair and ethical process, adapted to the operational needs of each company based on the following commitments:

- To guarantee objectiveness and impartiality in selection processes, by applying quality and cost criteria and avoiding any conflict between personal interests and those of the Company.
- To apply all responsible and sustainable practices that the Group promotes throughout the entire management of the value chain.
- To comply with the specific regulations and all risk management, classification, approval and control systems of suppliers and subcontractors.
- To review the level of compliance with these systems.
- To promote collaboration with suppliers and contract transparency.

### 4.4 Shareholders

The Group's commitment to the markets, shareholders and investors is based on information transparency. Additionally, the shareholders' right to information is detailed in certain Sections of the Regulations of the General Meeting of the Company. For the General Shareholders' Meeting to discharge its functions properly, the Board of Directors must make available to the

shareholders, before the date of each Meeting, any information required by statute or which should otherwise be provided, given the interests of the Company and their shareholders, so that they may form a view on the issues to be discussed. In this regard, the Company responds to requests filed by shareholders for the purpose of the General Meeting, provided that the interests of the Company are not jeopardized, thereby facilitating the exercise of their legitimate rights and encouraging their informed participation.

The Group uses different channels to satisfy this commitment to communication and transparency, either through the website of the Group, the investor relations and shareholder service department or through different instruments created *ad hoc*, such as the shareholders' web forum.

#### 4.5 Public and regulatory authorities

The Group is in constant communication with public bodies, and to that effect assumes the following commitments:

- **To keep direct and continuous relationship with local authorities and regulatory bodies** in those areas where the Group operates.
- **To cooperate with public and regulatory authorities** as required, always acting in good faith.
- **To ensure integrity and transparency** in its relations with public authorities, promoting fair competition and an efficient use of public resources.

#### 4.6 Society

A commitment to the economic and social development of the communities in which it operates is one of the goals of the ACS Group. To do this, the Group relies on a Social Action Policy associated with its business strategy, as the optimal way to generate true shared value for all stakeholders.

This policy seeks to promote the Group's Social Action, with the following objectives:

- Promote business growth and sustainability. Improve the recognition and reputation of the company.
- Increase the satisfaction of employees and collaborators.
- Contribute to the improvement of the community in which the ACS Group operates.

## 5 CHANNELS OF COMMUNICATION, PARTICIPATION AND DIALOGUE WITH STAKEHOLDERS

The Group and its group companies use different channels to promote transparency, participation and active listening to stakeholders. The Group follows responsible communication practices to avoid information manipulation and protect integrity and honor. Accordingly, all communications are based on criteria of impartiality, clarity, accuracy, coherence and responsibility, without prejudice to the need for confidentiality in the conduct of its business.

To that effect, the Group makes the following communication channels available to its different stakeholders:

Stakeholder group	Communication channel
<b>Clients</b>	<ul style="list-style-type: none"> <li>❖ Group websites and public reports.</li> <li>❖ Ethical 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>❖ Fairs and forums.</li> <li>❖ Publication of inside information (<i>hechos relevantes</i>).</li> </ul>
<b>Shareholders, investors and financial institutions</b>	<ul style="list-style-type: none"> <li>❖ Group websites, public reports and notices recording inside information.</li> <li>❖ Ethical Channel</li> <li>❖ General shareholders' meeting.</li> <li>❖ Shareholders and investors section on the website, electronic forum and shareholder service office.</li> <li>❖ Investor Agenda and Investor Day.</li> </ul>



	<ul style="list-style-type: none"> <li>❖ Dossiers and press releases.</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>❖ Group websites and public reports.</li> <li>❖ Ethical Channel.</li> <li>❖ Intranet.</li> <li>❖ Work environment surveys.</li> <li>❖ Corporate communications.</li> <li>❖ Meetings.</li> <li>❖ Health and Safety Committees.</li> </ul>
<b>Suppliers and Contractors</b>	<ul style="list-style-type: none"> <li>❖ Group websites and public reports.</li> <li>❖ Ethical Channel.</li> <li>❖ Periodic meetings.</li> </ul>
<b>Public at large</b>	<ul style="list-style-type: none"> <li>❖ Group websites and public reports.</li> <li>❖ Ethical Channel.</li> <li>❖ Participation in organizations and institutions.</li> <li>❖ Communication office and articles in the press.</li> <li>❖ Social networks.</li> <li>❖ Organization of events, participation in forums, collaborations and volunteering.</li> </ul>
<b>Public and regulatory authorities</b>	<ul style="list-style-type: none"> <li>❖ Participation in organizations and institutions.</li> <li>❖ Participation in forums and events.</li> <li>❖ Official communication channels of public authorities.</li> </ul>

## 6 MONITORING AND SUPERVISION SYSTEMS

Under the provisions of Section 25 of the Regulations of the Board of Directors, the Audit Committee will be in charge of supervising compliance with the rules on corporate governance, the internal codes of conduct and the sustainability policy.

Furthermore, the functions attributed to the Audit Committee include the review of the Company's sustainability policy, to ensure that such policy is aimed at creating value. Similarly, the Audit Committee will be in charge of monitoring the sustainability strategy and practices, as well as evaluating the degree of compliance. The Audit Committee will also be responsible for the supervision and evaluation of the relationship processes with the stakeholders and the evaluation of every aspect related to the non-financial risks of the company, including operational, technological, legal, social, environmental, political and reputational or any corruption-related risks.

To monitor and evaluate sustainability strategy and practices, the Group has developed the so-called “Project One”. This tool seeks to encourage good management practices among the companies of the Group and promote the eminently industrial nature of the activities of the Group by spreading corporate culture, through a periodic evaluation of the practices of the companies of the ACS Group in terms of sustainability.