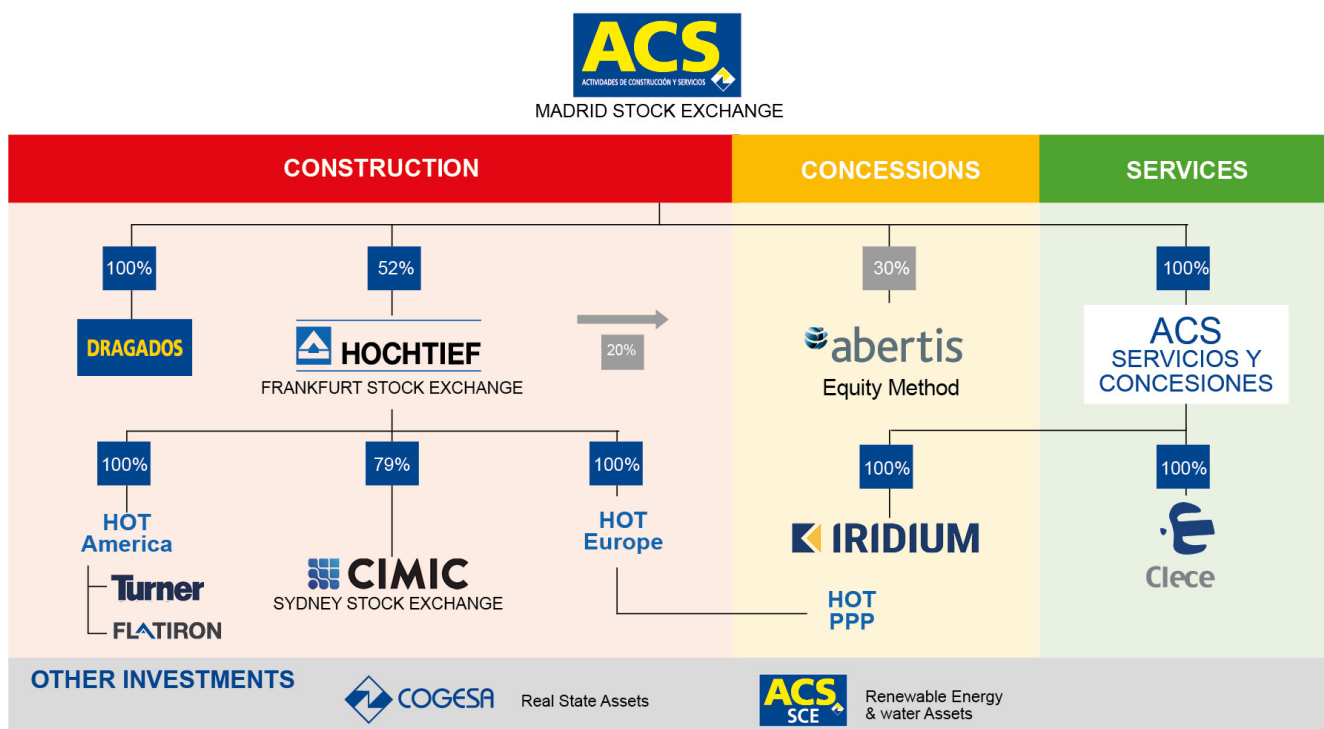


5.0. ACS GROUP BUSINESS MODEL



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
Environmental issues			
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 ₂)	2,683,671	352,891	323,889
Scope 2 emissions (tCO ₂)	183,375	92,466	103,637
Scope 3 emissions (tCO ₂)	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
Social and personnel issues			
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
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 (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
Other information on the company			
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.

