

5.4. REGULATORY COMPLIANCE



5.4.1. ORIGIN, EVOLUTION AND MAIN ELEMENTS OF THE COMPLIANCE MANAGEMENT SYSTEM

In April 2021, the international standard ISO 37301 on compliance management systems was published, followed in September of that year by the ISO 37000 standard on governance of organisations. Bearing the content of both these rules in mind, the ACS Board of Directors approved in December 2021 its Corporate Governance Policy in which reference was already made to the organisation's Global Compliance Management System, which 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, as well as compliance with the duties of diligence of the parent with regard to subsidiaries, through a system of double risk control 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.

Even though ACS already had, since 2018, a global compliance management system with a comprehensive vision and cross-cutting structure from the start, not limited criminal matters, this management model was consolidated as ACS became the first unregulated listed Spanish company certified in ISO 37301 for compliance management systems in October 2022.

Thus, the Global Compliance Management System extends its scope to criminal compliance and anti-bribery; market abuse; competition law; privacy and data protection; cybersecurity; environmental due diligence and Human Rights Due Diligence; taxation; and any other areas of compliance included in the ACS Group's consolidated Non-Financial Reporting Statement, and, in general, any other scope of compliance that the Board may consider should be under the Global Compliance Management System at any given time.

Having defined the scope of the Global Compliance Management System, its main elements are identified:

- The General Compliance Policy, approved by the Board on 28 July 2022, which structured the positioning and measures that ACS has put in place regarding the prevention, detection and management of compliance risks.



- The Compliance division comprises the Compliance Department and the Compliance Committee.
- The risk and control matrices in the different compliance areas in which compliance risks are identified and listing the measures for their prevention, detection and management.
- Policies, procedures, processes and other internal regulations that make up the regulatory body of the Global Compliance Management System.
- The planning, operation, supervision and reporting actions with regard to each of the elements of the system led by the Compliance Committee in permanent connection and in relation to the other business areas of the Organisation and, where appropriate, with the Board Audit Committee and senior management.
- The ACS Ethical Channel that allows any person empowered to do so to report irregularities or breaches of the ACS Code of Conduct and the policies that develop it; and

The disciplinary system of application in cases of non-compliance or breach of regulations under the Global Compliance Management System.

5.4.2. THE DUAL RISK CONTROL MODEL: SPECIFICATION OF THE DUTIES OF DILIGENCE OF THE PARENT WITH REGARD TO SUBSIDIARIES.

To promote the adoption of a model of compliance management by subsidiaries which can be understood as robust, the ACS Group parent has developed a dual control system:

- a. The implementation and development of a homogeneous standards 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 compliance 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.).

In accordance with the highly decentralised management model of the ACS Group, the Group's parent company promotes the adoption of its own specific compliance management model by each of the subsidiaries, aligned with common regulatory standards and policies. This is why the Global Compliance Report is used among Group companies to assess the risks that the independent compliance management system of each one represents for the parent. In this way, the parent has at least one mechanism to be informed of and understand the risks to which it is exposed so that its directors comply with their general duty of control and diligence.

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 substantiate the existence of due control by the parent with regard to subsidiaries, promoting the adoption of own compliance management systems by subsidiaries without prejudice to the parent's supervisory and control function.

For this purpose, a tool, designed in 2019, has been constantly corrected and improved. This is the GLOBAL COMPLIANCE REPORT, which, in its latest version as of December 2022, 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. Internal investigation procedure.
- IX. Disciplinary system.
- X. Breaches, analyses and corrective actions.
- XI. Competences.
- XII. Cybersecurity.
- XIII. Environmental due diligence processes.
- XIV. Human Rights due diligence processes.
- XV. Tax compliance.
- XVI. Corporate Governance.

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 new risk and control matrix in the tax compliance area was added to the Group's portfolio of risks and controls regarding criminal matters and bribery in September 2022.

The Global Compliance Report also makes it possible to obtain an annual Risk Score Card in all areas of compliance reported.

5.4.3. UPDATE OF 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. 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.



Fulfilling the objectives set by the Committee for 2022, the regulatory body of the organisation has been reviewed and updated to align it with the following regulations:

- a. A Proposal for a Directive on corporate sustainability due diligence (CSDD), which was reflected in the changes made to the following rules of the organisation:
 - Human Rights Policy
 - Corporate Protocol on Due Diligence in regard to Human Rights
 - Sustainability Policy
 - Code of Conduct for Business Partners
 - Environmental policy
 - Occupational Health and Safety Policy
- b. The certifiable standard ISO 37301: 2021 on compliance management systems. The Company's willingness to certify and adapt to the content of the new UNE/ISO 37301: 2021 on global compliance management systems has led to the modification of the Document articulating the Global Compliance Management System and the approval of a General Compliance Policy that sets and publicises the positioning and measures taken by the Company in relation to compliance.
- c. The UNE certifiable standard 19602: 2019 on tax compliance management systems, which has led to an update to the Corporate Tax Policy and the Internal Tax Control Regulation.

5.4.4. FIGHT AGAINST CORRUPTION AND BRIBERY

In the area of criminal compliance and anti-bribery, the Code of Conduct and the Business Partner Code of Conduct are supplemented by the Criminal Compliance and Anti-Bribery Policy and the recent Policy on compliance with international sanctions imposed on third parties, approved by the Board on 27 February 2023. This entire set of regulations is aligned with national standard UNE 19601 on criminal compliance management systems and international standard ISO 37001 on anti-bribery management systems.



Criminal Compliance and Anti-Bribery Policy



AENOR certificates at www.grupoacs.com

In 2022, all the objectives set by the Committee in terms of criminal Compliance and anti-bribery were achieved, mainly 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 and review of the risk matrix and criminal and anti-bribery controls was carried out from May to September 2022, and the nature and extent of the criminal and anti-bribery risk faced by ACS were determined. It was found that the actual residual risks had been reduced, which was validated and subsequently confirmed by the external audit and certification reports. Likewise, after the entry into force of Organic Law 10/2022, of 6 September, on the comprehensive guarantee of sexual freedom, the new types of workplace harassment and sexual harassment committed by the legal person were included in

the matrix. These are in both cases cross-cutting risks that affect the entire organisation.

Similarly, due to the growing importance of sanctions in the area of contemporary international relations, applicable against States, non-State entities or individuals that pose a threat to international peace and security; together with the geographical and business diversification of the ACS Group, along with the high operational decentralisation and autonomous management that characterises Group companies, the Board of Directors, in compliance with the strategic objectives set forth in the General Compliance Policy, approved the Compliance Policy for third parties at its meeting held on 27 February 2023.



Compliance Policy for International Sanctions imposed on third parties

In relation to the opposition to acts of corruption, which included the ACS Group Code of Conduct, ACS Group companies will ensure that this obligation is fulfilled, while avoiding any transaction that may be interpreted as a gift or donation to individual politicians 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.

In this regard, the approval by the Board of Directors of 27 February 2023 of the new investment policy in the Community, sponsorship, patronage and philanthropic donations of the ACS Group that complies with the certifiable standards in criminal and anti-bribery matters, anti-money laundering and countering the financing of terrorism, as well as the new national and Community regulations on corporate due diligence and reporting on sustainability (Proposal for EU Directive CSDD EU Directive CSRD) and the various requirements of our stakeholders.

	2021	2022
Value of financial and in-kind contributions made by the organization to associations (trade associations, business associations, etc.)(1)(€)	1,502,854	1,509,926

(1) Includes contributions made by ACS, Construction and Services Activities. The scope of the data in 2021 and 2022 is 20.7% and 19.8% of sales respectively.



5.4.5. HUMAN RIGHTS

The ACS Group has the mission to contribute to the development of society and future generations through its services and operations, ensuring at all times maximum respect for internationally recognised human rights (HR) in its global activity, in line with the ten principles of the UN Global Compact to which the Group is a party.

The company integrates Human Rights Due Diligence management in a cross-cutting manner across the Global Compliance Management System, which articulates, among other internal rules, those aimed at ensuring compliance with and supervision of human rights in all ACS Group Divisions, establishing the Group's Human Rights Due Diligence management system (the System), which consists of the following policies and procedures, all available on the Group's official website, which were recently reviewed by the Board on 28 July 2022:

- The ACS Group's Code of Conduct, which establishes the performance guidelines expected of all members of the Company as an essential part of its mission, values and corporate culture.
- The ACS Group's Code of Conduct for Business Partners, which must be complied with by all its business partners regardless of their geographical location or the Group company with which they maintain their contractual relationship.
- The ACS Group's Sustainability Policy, which establishes the ACS Group's environmental and social policy principles, as well as the Group's relationship with its environment.
- The ACS Group's Human Rights Policy, which establishes the responsibility to of respecting internationally recognised human rights, formalising a due diligence process to identify, prevent, mitigate and remedy adverse impacts that take place in the scope of its activity and global value chain, and to report on the effectiveness of this process.



- The ACS Group's Protocol on Human Rights Due Diligence, which serves as the backbone of the system, establishing the approach and due diligence responsibilities required by ACS for all its employees, Divisions and Business Partners, providing the means to ensure and verify compliance as specified below:



- The ACS Group's Human Rights Positioning Framework, the Human Rights Risk Analysis by potential breach and the Corporate Guide for the Protection of Human Rights, approved in 2019 by the ACS Group's parent company to facilitate the assessment of the potential and actual impacts on Human Rights and MA on all Group companies.
- Chapter XII of the ACS Group's Global Compliance Report, the standard under which the Group's Divisions continuously assess the effectiveness and application of the Protocol. It is designed to ensure the early identification of the risk of Human Rights Due Diligence associated with the potential breach of internal and external regulations applicable in the countries of operation of their various Divisions.
- The Human Rights Risk Scorecard and the Annual Compliance Monitoring Report in the Human Rights area of the ACS Group, whose conclusions on Human Risk compliance risk were transferred to the Audit Committee of the ACS Group parent company, as the body responsible for monitoring and evaluating the Protocol and its compliance, and for reporting regularly to the Board on this matter.

These standards constitute the essential pillars on which the Group continuously applies due diligence processes in its operation and global value chain, ensuring their compliance with applicable law in each jurisdiction and with relevant international reference frameworks: the International Bill of Human Rights, the core International Labour Organisation conventions, the UN Guiding Principles, the OECD Guidelines for Multinational Enterprises, and the Tripartite Declaration of Principles on Multinational Enterprises.

The System is based on the 'protect, respect and remedy' pillars of the UN Guiding Principles. Thus the identification, prevention, mitigation, monitoring and remediation of potential adverse effects on human rights related to the activity of ACS (as a result of, contribution and or direct and indirect association) is facilitated, and the processes to handle any complaints or claims that may be made by those who have been the subject of this conduct and/or their legitimate representatives are defined.

To fulfil with the targets set by the Compliance Committee for this year, in 2022 the ACS Group updated the Corporate Protocol on Human Rights Due Diligence and, together with it, the other internal rules and procedures mentioned above.

The purpose of the update was the temporary and material adequacy of the System, with its thorough review and adaptation to ensure its capacity to cover recent and future regulatory requirements, of which it was worth noting, due to its scope and degree of requirement, the Proposal for a Directive on corporate sustainability due diligence (CSDD) approved by the European Commission on 23 February 2022.

The most substantial changes implemented are aimed at strengthening the following aspects:

1. Disclosure and awareness of compliance with the Human Rights Due Diligence and the use of the complaint channels enabled for workers, suppliers and business partners.
2. Extension of compliance with the Group's internal regulations to the entire global value chain.
3. Periodic analysis of Human Rights adverse effects focusing on the risk to individuals, and assessed in terms of probability and severity.
4. Regular definition of action and mitigation plans, as well as specific remediation actions in high-risk situations, following the Protocol guidelines.
5. Strengthening the governance structure on the implementation and supervision of the Human Rights Due Diligence between the various Divisions and their functional areas.
6. Integration of procedures to escalate significant incidents in this area to senior management from any point in the organisation.
7. Strengthening the Human Rights risk management and identification systems in relationships with business partners throughout the value chain (upstream and downstream).

Also, to strengthen the integration of the Due Diligence into Human Rights in the management of the Group's value chain, in 2022 the Compliance Committee carried out the review and adaptation of the Code of Conduct for Business Partners to strengthen the following issues:

1. Strengthening compliance requirements with human rights, labour rights and ethical principles.
2. Introduction of requirements to ensure compliance with the same basic principles of action in the supply chain of suppliers subject to the Code.
3. Strengthening transparency and reporting requirements for nonconformities.
4. Strengthening the clauses and the affidavit of knowledge of and compliance with the Code.

As a result of these changes, the ACS Group updated the assessment criteria regarding the Human Rights area within the *Global Compliance Report* of 2022, Chapter XII "Human Rights Due Diligence", reinforcing the requirement for the assessment model for the ACS Group Divisions, and facilitating the identification, through the 2022 Annual Compliance Monitoring Report, of the specific action plans that each Division must implement to continuously improve its performance in implementing the Protocol, in accordance with the main standards, internal regulations and applicable regulations.

The results obtained in the Report make it possible to assess the subsequent level of compliance risk in human rights attributable to each Division specifically and to the ACS Group as a whole. It may be concluded that both ACS and the Group's Divisions are well positioned in view of the future regulatory requirements currently being developed in the area of the Human Rights Due Diligence globally, which will apply in the medium term.

However, it is important that all ACS Group divisions continuously extend and strengthen their processes in both direct transactions and the global value chain.

In 2022, 72.5% of the ACS Group's operations over the life of the project have been assessed, advancing towards the target set by the ACS Group in the 2025 Sustainability Master Plan - namely, the assessment of 100% of its own operations in terms of human rights by that date.

As a sign of the effectiveness of the system, it should be noted that no complaints were filed against ACS Group subsidiaries in 2022 for breaches of Human Rights, and in any case the Protocol's guidelines in the area of detecting and remedying adverse impacts that the Group may have contributed to within the scope of its liability have been strengthened. Therefore, in 2022, in 79.5% of the ACS Group's own operations in which the possibility of operational risks in relation to human rights has been detected, mitigation plans have been implemented, and no remediation measures have been implemented in 2022 since there have been no breaches or nonconformities in this regard.

In 2022, the various ACS Group companies worked to ensure their effectiveness and continuous improvement in the protection of human rights, both in direct operations and along the supply chain, through the provision of training courses for their employees, analysis of operational risks in the field of human rights, promotion of dialogue with Human Rights stakeholders, among other examples. Particularly noteworthy were the progress in human rights made by HOCHTIEF, the main company of the ACS Group in terms of turnover, whose initiatives can be seen on pages 216 to 221 of its 2022 Annual Report.

5.4.6. ENVIRONMENTAL DUE DILIGENCE

The ACS Group has a firm commitment to environmental protection and the proper management of the expectations of its stakeholders in this regard, in accordance with the strategic lines defined in the Group's Environmental Policy, the Sustainability Policy, the ACS Group Code of Conduct and the ACS Group Code of Conduct for Business Partners.

To strengthen this commitment, in 2022 the ACS Group included for the first time the risks associated with the Due Diligence in the Environment as a cross-cutting management element within its corporate governance model and the Global Compliance Management System.

This section includes information on non-financial risks associated with the ACS Group's due diligence compliance responsibilities. Detailed information on the Group's environmental management framework is available in section 5.1 of this report.

To fulfil the targets set by the Compliance Committee for 2022, the Environmental Policy was updated by conducting a thorough review and adaptation to ensure its capacity to meet recent and future regulatory and voluntary environmental requirements, taking into account, among other rules, Regulation (EU) 2020/853 of the European Parliament and of the Council, of 18 June 2020 on Taxonomy, and section 32 of Law 7/2021, of 20 May, on climate change and the energy transition. Accordingly, several changes were made to strengthen the following aspects:

1. Alignment with the requirements of the Proposal for a Directive on corporate sustainability due diligence (CSDD) adopted by the European Commission on 23 February 2022.
2. Alignment with the changes made to the Business Shareholder Code of Conduct.
3. Extension of the biodiversity section to include new requirements for stakeholders on biodiversity and non-deforestation.

The ACS Group's Compliance Department included chapter XI "Environmental Due Diligence" in the 2022 Global Compliance Report, including 12 issues regarding the state of performance of environmental matters, designed to influence the early identification of the environmental risk associated with the potential breach of the ACS Group's internal policies, the main international standards and the regulations applicable in the countries of operation of the various ACS Group Divisions.

In October 2022, an independent expert made the Annual Compliance Monitoring Report in the Environmental Area based on the "Risk Scorecard" method. This report aims to estimate the environmental risk of compliance to which the ACS Group Divisions are exposed and to facilitate their mitigation by defining the specific action plans that each Division must address to continuously improve its performance in this regard, assuming a new environmental compliance assessment model for the ACS Group Divisions.

The assessment was applied on the information reported by the Divisions to Chapter XI of the ACS Group's Global Compliance Report, aimed at addressing the most demanding regulatory frameworks in this regard, including:

- a. The Environmental Policy for ACS, Construction Activities and S.A applicable to all Group companies
- b. The 2025 PDS - 2025 Sustainability Master Plan
- c. Regulation (EU) 2020/853 of the European Parliament and of the Council of 18 June 2020 on Taxonomy. The regulation establishes the criteria for determining whether an activity is considered environmentally sustainable in order to establish the degree of environmental sustainability of an investment.
- d. Section 32 of Law 7/2021, of 20 May, on climate change and the energy transition. It introduced disclosure obligations on the assessment of the financial impact on society of the risks associated with climate change, including the risks of the transition to a sustainable economy and the measures taken to address these risks.
- e. The Task Force on Climate-related Financial Disclosure (TCFD). Framework of recommendations to disseminate the measurement, control and management of risks related to climate change.
- f. ISO 14001 on Environmental Management Systems.

The results obtained in the Report make it possible to assess the subsequent level of compliance risk in environmental matters attributable to each Division specifically and the ACS Group as a whole, and it may be concluded that it is important that all divisions of the ACS Group extend and continuously strengthen their processes in both direct transactions and the global value chain.



5.4.7. INFORMATION SECURITY

The ACS Group's parent company, through the Information Security Policy, which is mandatory for all Group subsidiaries, and based on the CISO (Chief Information Security Officer) position, has the necessary mechanisms and tools to ensure the confidentiality, availability and integrity of its information, the main one being the Director Information Security Plan that is aligned, first, with the business objectives and, on the other, with the Information Security Policy itself.



In 2022 this Master Plan changed to respond to current risk situations, with a particular focus on implementing security

5.4.8. COMPETITION POLICY AND COMPLIANCE PROTOCOL

On 28 July 2022, the Board of Directors of the Group's parent company approved the latest version of the Competition Compliance Policy and Protocol.



In 2022 the ACS Compliance Committee strengthened and improved the monitoring of the effectiveness of competition compliance programmes in the ACS Group divisions, through the following actions:

I. Improvements in the Global Compliance Report questionnaire section on competition compliance programmes:

- a. More questions were asked, focusing on the involvement of directors and executives in the programme, training, complaints channel, compliance officer, risk map, control matrix and disciplinary system/incentive system among others.
- b. Overall scope of the assessment of competition compliance programmes, taking into account the compliance guidelines of competition authorities in Germany, Australia, Canada, Spain and the USA.

The improvements made to the questionnaire also aim to assess the effectiveness of competition compliance programmes taking into account the compliance guidelines of the competition authorities of the countries in which ACS Group subsidiaries are active.

To determine the robustness of the programmes of Spanish subsidiaries, the CNMC's Competition Compliance programme Guide and the ACS Group's Competition Compliance Policy and Protocol were taken into account.

measures necessary to protect the main information systems, network monitoring, user accesses and setting up regular security audits on all internal and external information systems to verify not only the effectiveness of the security controls implemented but also to improve and optimise them.

In addition, as a framework for security risk management, compliance monitoring and security maturity assessment, ACS will be based on the NIST (National Institute of Standards and Technology) cybersecurity framework, which consists of five simultaneous and continuous functions: Report, Protect, Detect, Respond, and Recover, divided into 150 controls, which are a guide for the effective protection of cyber-attack information systems, focusing efforts on those parties that require greater attention.

The guidelines on compliance of the national competition authorities of their own countries, in addition to the ACS Group's Competition Policy, have been considered for the most important Group subsidiaries established outside Spain. Specifically, the guidelines on compliance of the competition authorities of the following countries were taken into account for this analysis:

- Germany: Guidelines on the premature deletion of an entry from the Competition Register due to self-cleaning y Premature deletion from the Competition Register due to self-cleaning (a practical guide) from the German competition authority (Bundeskartellamt).
- Australia: Australian Competition and Consumer Commission Competition and Consumer Compliance Program.
- Canada: Competition Bureau of Canada Bulletin on Corporate Compliance Programs.
- USA: Antitrust Division of the Department of Justice's Evaluation of Corporate Compliance Programs in Criminal Antitrust Investigations.

These rules are important because they establish the requirements that a competition compliance programme must meet to be considered effective by the competition authorities. If a company has a solid programme that meets the conditions of these guides, the probability of committing a competition breach will be minimised. If committed by any worker, in breach of the programme, the Company may take remediation and corrective measures on time. If the authority initiates an investigation against the company, having an effective competition compliance programme can lead to a reduction in the amount of the potential fine. In addition, it may also serve to lift a potential ban on engaging with the public authorities as a result of the company's commission in the past of a competition breach.

II. Improvements in the risk assessment methodology of subsidiaries

The methodology for measuring the maturity level of the programmes with weightings was improved that take into account the level of potential competition risks in which each subsidiary is located, its size and activities, as well as the regulatory and application context of competition rules in the country in which it is active.

At the same time, even when the requirements of the guidelines on compliance programmes of the national competition authorities of different countries have been analysed, by individualising the analysis by countries and companies, the new metric used also allows a harmonised comparison of the degree of maturity of the compliance programmes of the ACS Group subsidiaries as a whole, regardless of the country in which they operate, by converging in the analysis of the effectiveness of the

5.4.9. TAX COMPLIANCE

In 2022, several actions were taken to improve the Compliance Management System, its procedures and processes to adapt the organisation's model to the UNE 19602: 2019 standard on tax compliance management systems. This certification was obtained in October.

As a result of the preparation of the two phases of the certification audit, the following reports, documents and processes were approved and adopted:

- Report on compliance with the tax compliance management system.
- UNE 19602: 2019 review on tax compliance management systems 2022.

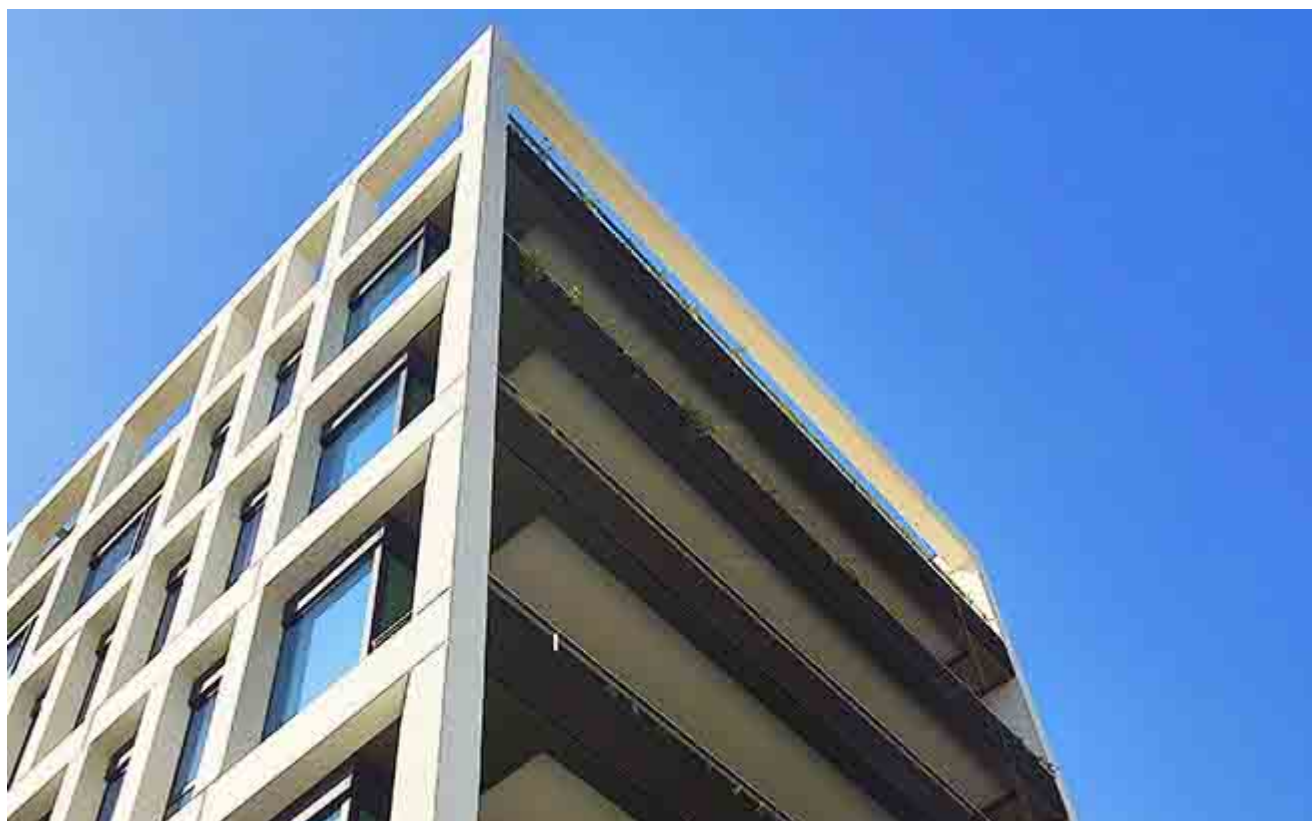
programmes from the dual perspective of, on the one hand, the compliance guide of the corresponding national competition authority and, on the other, compliance with the ACS Group's Competition Policy and Protocol, which applies to all its subsidiaries.

III. Work plans and specific recommendations for improving the competition compliance programmes of each subsidiary

The analysis of the responses to the Global Compliance Report reflects the progress in the competition programmes of each subsidiary and makes individual recommendations, also proposing a specific work plan for each one to strengthen and improve its competition compliance programme. The proposed improvement and reinforcement actions are specific and detailed, to facilitate subsequent thorough supervision of their degree of implementation by the ACS Compliance Committee.

- Tax compliance training plan.
- Tax risk and control matrix.
- Tax Compliance risk monitoring 2022.
- Review of tax controls.

The adaptation of the organisation's model to the UNE standard 19602: 2019 on tax compliance management systems has also led to changes in the Corporate Tax Policy and the Internal Tax Control Regulation.



5.4.10. TRAINING

	2021	2022
Scope of the training plans regarding the company's human rights, ethics, integrity, conduct or compliance procedures (% of employees)	99.9%	100.0%
Number of courses given with content on Human Rights, Ethics, Integrity, Conduct or other compliance policies and procedures	455	477
Number of employees trained in Human Rights, Ethics, Integrity, Conduct in the year or other compliance policies and procedures	39,337	35,148
Training hours per trained employee	2.6	3.4

All ACS Group companies provide training to all members of their organisation on a regular basis from the time when they join the company and at planned intervals, determined in the training matrices, approved in each case by the Compliance division. This training must be appropriate to each staff member's role and the compliance risks to which they is exposed; they must be assessed in terms of effectiveness and regularly reviewed.

Taking into account the compliance risks identified in each case, the Group's subsidiaries must also ensure that procedures are implemented to address awareness and compliance training for third parties acting on their behalf that may pose a compliance risk for the organisation. Training records must be kept as documented information.

In 2022, under the impetus of the Compliance Committee of the Group's parent company, the training of members specially exposed to the different classes of compliance risk within the organisation, focused on the following compliance areas, developed in the training matrices: criminal compliance and anti-bribery system, information security, corporate due diligence on sustainability, governance and compliance, tax compliance management system, as well as the training of new employees of the organisation.

5.4.11. CHANGES IN THE ORGANISATION'S INTERNAL AND EXTERNAL CIRCUMSTANCES

The annual compliance monitoring report for 2022, reported to the Audit Committee at its meeting held on 27 February 2023, included the following changes in the legal or regulatory context considered to be external circumstances relevant to the organisation:

- New framework on Non-Financial Information on sustainability. Directive CSRD 2022/2464 of the European Parliament and of the Council of 14 December 2022. Since the CSRD Directive was approved in December 2022, its development at Community level and its transposition into Spanish law will be taken into account in the developments in the organisation's internal regulations in 2023 and subsequent years.
- Proposal for a Directive on corporate sustainability due diligence.

In accordance with the Work Plan resulting from the process of assessment of the Board of Directors and its Committees, the following training was given to the ACS Group Board in 2022:

- Face-to-face given to the Board of Directors on the Proposal for a Directive on corporate sustainability due diligence (CSDD) adopted by the European Commission on 23 February 2022, focusing on the due diligence of companies with regard to human rights and the environment and the consequent need to amend the Organisation's Code of Conduct for Business Partners.
- Video training on governance and compliance: directors' responsibilities and functions regarding compliance within the framework of the Company's adaptation to the new UNE/ISO 37301: 2021 and the new General Compliance Policy approved by the Company in July 2022.
- Video training on the tax compliance management system.
- Face-to-face training given to the Board of Directors on criminal and anti-bribery risks of the organisation.
- Code of Good Practice for institutional investors, asset managers and voting advisers in relation to their duties with regard to the assets assigned or services provided by the CNMV of 22 February 2023. New lines of action are opened for departments or areas of listed companies in relationships with institutional investors, asset managers and voting advisers.
- Organic Law 10/2022, of 6 September, on the comprehensive guarantee of sexual freedom, introducing new types of the risk matrix and criminal and anti-bribery controls.
- New system for the control of related transactions in listed companies introduced by Law 5/2021, of 12 April, which seeks to prevent a party with power of influence over the decision-making process of

the listed company from making a profit to the detriment of the listed company itself, its external shareholders (not affected by the transaction) or its creditors. In adapting to this new system, the Company's Board of Directors approved, at its meeting held on 15 December 2022, the "Protocol on Related Transactions of ACS, Actividades de Construcción y Servicios, S.A.", which aims to establish an internal control procedure for identifying related transactions and articulating the approval system and, where appropriate, publicising them, in order to ensure full compliance with the legal requirements regarding related transactions. Under this Protocol, the identification and analysis of related transactions prior to their approval is carried out by an Operating Committee, the main function of which is to support governing bodies in the application of the system for related transactions. This Operating Committee was appointed by the Board on 15 December 2022, and held its first meeting on 16 December 2022.

- In the last quarter of 2022, new requirements were introduced in the organisation's compliance management model with its adaptation to international standard ISO 37301: 2021 on compliance management systems, which

established in sections 4.1. and 4.2. the obligations of the organisation with regard to context and stakeholders.

The annual compliance monitoring report for 2022, together with changes in the legal and regulatory context and changes in structures, policies, processes and procedures, analysed the organisation's compliance culture, through the assessment processes led by the Compliance Committee, and finally analysed changes in stakeholders.

Since 2021, as a result of the entry into force of the Policy for Communication of economic-financial, non-financial and corporate information, and regarding Contacts and Relations with Shareholders and Other Stakeholders, as well as Contacts and Implications with Shareholders and Other stakeholders, changes have taken place in the identification of the relevant stakeholders for the purposes of the Compliance system, since the description of them has been extended. In 2022, new requirements were introduced with the adaptation of the organisation's compliance management model to international standard ISO 37301: 2021 on compliance management systems, which established in sections 4.1 and 4.2. the obligations of the organisation with regard to context and stakeholders. There were also changes in the identification of the main relevant requirements of these stakeholders in relation to the Compliance management system.

5.4.12. GOVERNANCE AND COMPLIANCE

An effective compliance management system is a fundamental pillar of the good governance of an organisation as ACS.

In accordance with the Law and the Board Regulation itself, the Board of Directors has among its functions the determination of the Company's general policies and strategies and, in particular, the determination of the risk management and control policy, including tax risks, and the supervision of internal information and control systems, including the Global Compliance Management System, to the extent that it is the mechanism for controlling compliance risks.

To perform these functions, the Board has the support of the Audit Committee, which is entrusted by both the Law and the Rules of the Board of Directors with the supervision and assessment of the effectiveness of the financial and non-financial risk management systems related to the Company and the group, including those operating, technological, legal, social, environmental, political and reputational or related to corruption and, therefore, the supervision and assessment of the effectiveness of the Global Compliance Management System.

Therefore, the Board approved, in its Plenary Meeting held on 28 July 2022, the General Compliance Policy as a formal means of adopting and implementing the Global Compliance Management System and, through the Audit Committee and the Compliance Committee, was responsible for regularly assessing its effectiveness, changing it, if necessary, when it is aware, by any channel, of the existence of serious breaches or when there are

significant changes in the circumstances that concern the organisation, in the assessment of compliance risks or in the compliance targets set by the Compliance Committee.

However, to the extent that the ISO 37301 standard on which the system is based requires the Board to lead the creation of a culture of compliance, it is necessary that, together with the general formal aspects we have outlined, the Board as a whole and its members individually develop the necessary sensitivity with regard to governance and compliance aspects that uphold the values of the organisation and, in particular, promote compliance. In this regard, the ISO 37301 standard requires the Board to demonstrate an active, visible, consistent and sustained commitment to a common standard of behaviour and conduct that is required throughout the organisation, and to this end it identifies specific measures, such as ensuring that the resources necessary to manage compliance are available, supporting the relevant roles to demonstrate their leadership in their corresponding areas of responsibility or ensuring that they are informed in a timely manner of compliance issues, including cases of non-compliance and that appropriate measures are taken.

The implementation of all of the above will not only entail compliance with the obligations and principles voluntarily taken on through the internal regulations and, in particular, through the Code of Conduct, in the Corporate Governance Policy and in the General Compliance Policy, but will also entail exercising the duty of care required by commercial law and complying with the best governance standards required by responsible management of the organisations.

Also, to the extent that the rules that are part of the regulatory body of the Compliance Management System were adapted in July 2022 to the Proposal for a Directive on corporate sustainability due diligence (CSDD), the implementation and promotion of the Global Compliance Management System by the Board will also allow it to comply with the due diligence obligations required of organisations such as ACS in the areas of human rights and the environment.

All of this will in turn reflect the content/scope of non-financial information (now referred to as 'sustainability information') and foreseeably also in the IAGC.

The Compliance management system thus plays a significant role in the governance of the organisation, as an element aimed at minimising risks, making processes

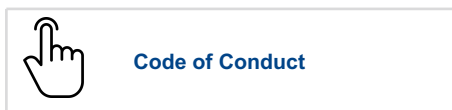
objective, aligning interests and, ultimately, improving the sustainability of ACS as an organisation. However, the fact is that the success of the Global Compliance Management System that has been implemented in ACS depends, to a large extent, on the awareness and momentum that all members of the organization can provide and, in particular, on the Board's leadership as the driver of a culture of compliance.

The heading "Corporate Governance " in Section 6 of this Integrated Report, will analyse in more detail the governance model of the organisation and the function of the Board's Audit Committee in relation to monitoring compliance with corporate governance rules and internal codes of conduct and the assessment of the corporate governance system.

5.4.13. CONTROL AND MONITORING MEASURES

Established communication and complaints channels

The ACS Group's Code of Conduct reflects the essential values of the ACS Group. 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 potential breach within a professional context with the ACS Group, as well as to all Group contacts and stakeholders. The Ethical Channel Operation Policy is binding for directors, executives and employees who have links with Group companies, regardless of the legal nature of their relationship and those who, although not 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, it should be noted that 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 complainant and other related information.

All members of the organisation and interested parties are encouraged to submit information related to potential breaches of the 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 the 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, Spain or email pdd@grupoacs.com. More detailed information on the processing of your data is available in the data protection section of the website as well as directly in the information regarding the users of our Ethics Channel.

The ACS Group's Ethics Channel can be accessed.

By post sent to:

Canal Ético Grupo ACS
Avda. Pío XII 102, 28036 Madrid, Spain.

Through the corporate website <https://www.grupoacs.com/compliance/canal-etico/> 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	0800 077 3019

Queries and complaints received in 2022

In 2022, 4 complaint files were opened in the ACS, Actividades de Construcción y Servicios, S.A. Ethics Channel, referring to ACS Group companies, of which three are in the course of processing.

The list of queries and reports received via the Ethics Channel of the Clece Group, the Dragados Group and the Iridium Group is as follows:

- Dragados Group: 50 queries/reports were received, through its different ethics channels, from different users, 28 submitted digitally, 9 by telephone and 13 through the website. The locations of origin of these inquiries/reports were: 14 from Spain, 21 from the United States, 3 from Argentina, 8 from Poland and 1 from Canada, with 43 from employees, and the rest miscellaneous. The reasons for the communications/reports received were: 10 due to alleged cases of harassment and discrimination, 11 due to irregular conduct, 5 due to conflicts of interest, 6 due to labour relations, 6 due to compliance and regulation reasons and 12 due to other reasons.

Twenty of the communications/reports were resolved in less than 15 days, twelve between 15 and 30 days, eight between 30 and 60 days, eight in more than 60 days, and two are still under investigation. Of the 50 inquiries/complaints received: 22 inquiries/complaints were filed; 5 were filed away and no measures were implemented, 3 were filed away after giving recommendations, 6 were not admitted or could not be verified, 7 were resolved with improved controls, one is being investigated by an external party, and 2 are being processed.

- Iridium: through its Ethics Channel, 10 inquiries/reports were received in Spain, all digitally, regarding questions about the internal policies which were answered in less than one month.
- Clece: received 57 inquiries and 119 complaints through his Ethics Channel. All complaints are from Spain, of which 55 came through email, 63 through the Ethics Point platform and one through regular mail. Of all the complaints, 24 were due to alleged harassment, 34 due to the quality of the service, 41 due to employment relationships, 19 due to breaches of the code of ethics and conduct, and one related to criminal risks. 62 of the complaints received were resolved over an average period of less than 15 days, 49 in less than 100 days, 2 more were closed before the end of the year and 6 are still pending resolution.

HOCHTIEF received 109 communications through its channels in 2022, all related to human resources issues. In 2022, 80% of the cases were completed and 22 of them were pending resolution at the end of 2022.

5.4.14. COMPLIANCE RISK MANAGEMENT

The General Risk Control and Management Policy, as a framework rule, affects all the ACS Group Divisions, 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.

In December 2022, the Board approved the update of the ACS Group's General Risk Map, as explained in point 2.3 of this Integrated Report. With regard to the ACS Group's compliance risks included in the General Map, it should be noted that they are part of the Group's list of priority risks, within non-financial risks.



To reflect compliance risks in the ACS Group on the overall risk map, the key information handled relates, first,

to the information obtained from the Global Compliance Report in each of the compliance areas analysed in all ACS Group divisions worldwide, as well as the information published (Annual Corporate Governance Report, among others) and domestic regulations. Secondly, interviews were held with the interlocutors appointed by the business managers in the various divisions to see their perception of the risks within the quadrants, in terms of probability and impact, as well as to update the status of the compliance functions and the main actions carried out in the year. Significant improvements were found both at the corporate level and at the subsidiary level. Meetings were held with each and every one of the Group's business divisions. The risk name was also changed from "Regulatory Breach" to "Regulatory/Compliance Breach" to more accurately reflect its nature.

The body responsible for analysing non-conformities or breaches and proposing corrective actions in the different areas of compliance 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. For the promotion of the adoption of a Compliance management model which can be understood as robust, the ACS parent has a double control system as explained in point 5.4.2. of this report.

Furthermore, as specified in section 25 of the Board Regulation, the Audit Committee has been attributed the following functions relating to the supervision of risk management and control:

- a. Supervising and assessing the effectiveness of financial and non-financial risk management systems related to the Company and the group, including operational, technological, legal, social, environmental, political and reputational or corruption-related risk management systems.
- b. Reassessing, at least on an annual basis, the list of most significant financial and non-financial risks and assessing 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 explaining business trends and associated risks.
- c. Directly overseeing the performance of the internal control and risk management functions carried out by any unit or Department of the Company.

All this without prejudice to the mandatory information to be sent to the markets through the Annual Consolidated

Report, the Non-Financial Reporting State (EINF) and the Annual Corporate Governance Report (sections E and F).

During the year, the Compliance Committee carried out actions to improve the management and control of the main compliance risks, reporting to the Audit Committee on compliance with the established response and monitoring plans.



[Annual Consolidated Report](#)



[Annual Corporate Governance Report](#)

Furthermore, in the course of its activities, the ACS Group is subject to contingent liabilities of various types 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. All information about them can be found in Note 36.02 to the consolidated financial statements.

