



SUSTAINABLE PROCUREMENT POLICY

Reference	60_Sustainable Procurement Policy_2_2024
Title of the <i>Standard</i>	Sustainable Procurement Policy
Geographical scope	Worldwide
Category	Policy
Approval date	19 December 2024
Approval body	Board of directors
Current version	V2

SUSTAINABLE PROCUREMENT POLICY

CONTENTS

1. PURPOSE	2
2. DEFINITIONS.....	2
3. SCOPE OF APPLICATION	4
4. FRAMEWORK REGULATIONS (REFERENCE STANDARDS)	4
5. EXTERNAL SOURCES	5
6. SUPPLIER CLASSIFICATION.....	5
7. BASIC PRINCIPLES OF ACTION	6
8. CONTRACTING AND SUPPLY PROCESSES	8
9. GOVERNANCE	9
10. WHISTLE-BLOWING AND COMPLAINTS CHANNELS	9
11. REACTION TO NON-COMPLIANCE.....	9
12. APPROVAL, DISSEMINATION AND ENTRY INTO FORCE	10
13. ADDITIONAL CONSIDERATIONS	10

1. PURPOSE

This Sustainable Procurement Policy (hereinafter the “**Policy**”) of ACS, Actividades de Construcción y Servicios, S.A. (hereinafter “**ACS**” or the “**Organization**”), applicable to the entities in the group of companies of which ACS is the parent company (hereinafter the “**ACS Group**” or “**Group**”), aims to establish the basic principles of action and patterns of behaviour of ACS with projection onto the Group in the procurement of goods and the contracting of services necessary for the development of its activities, in order to promote best sustainability practices throughout the Chain of activities.

This Policy is based on the Code of Conduct, the Code of Conduct for Business Partners and the General Sustainability Policy of the ACS Group, regardless of whether other Standards with projection onto the Group.

2. DEFINITIONS

For the purposes of this Policy, the following terms shall be interpreted in accordance with the definitions set forth below:

- **ACS/Organization/Company:** ACS, CONSTRUCCIÓN Y SERVICIOS, S.A.
- **Chain of activities/supplies:** The activities of the Business Partners involved in the upstream and downstream phases of activities relating to the production of goods or the provision of services by ACS and its Group companies.
- **Code of Conduct:** The ACS Group's Code of Conduct.
- **Code of Conduct for Business Partners:** The Code of Conduct for Business Partners of the ACS Group.
- **ACS Group/Group:** ACS and the companies of the group of companies of which ACS is the parent company. For the purposes of this Policy, also “Group entities/companies/corporations” and “entities/companies/corporations integrated in the Group”.
- **Interest Groups/Stakeholders:** those collectives that may affect or be affected by the activities of the ACS Group and, in particular, the directors, managers, employees, employee representatives, trade unions and Business Partners of the Group, as well as consumers, groupings, communities or entities whose rights or interests are or could be

affected by the products, services and operations of the Company, its subsidiaries and/or its Business Partners, including national environmental and human rights institutions, civil society organizations whose purposes include the protection of the environment and the legitimate representatives of such persons, groupings, communities or entities.

- ***IROs:*** Incidents, risks and opportunities.
- ***Members of the Organization:*** members of the governing bodies, managers, employees, workers or temporary employees or employees hired under a collaboration agreement, and interns or volunteers of ACS.
- ***Standard/s:*** ACS corporate texts of a different nature, such as Policies, Regulations or Procedures, among other texts, which, where applicable, project onto the ACS Group.
- ***Environmental Policy:*** The ACS Group's Environmental Policy.
- ***Sustainable Procurement Policy/Policy:*** The ACS Group's Sustainable Procurement Policy.
- ***Human Rights Policy:*** The ACS Group's Human Rights Policy.
- ***General Risk Control and Management Policy:*** The ACS Group's General Risk Control and Management Policy.
- ***Occupational Health and Safety Policy:*** The ACS Occupational Health and Safety Policy.
- ***Sustainability Policy:*** This ACS Group's General Sustainability Policy.
- ***Due Diligence Protocol:*** The Corporate Due Diligence Protocol on sustainability.
- ***Business Partners:*** Any legal or natural person with whom ACS or the Group companies maintain a commercial or business agreement in their Chains of activities. These include, by way of example, but are not limited to, suppliers or providers of goods or services, intermediaries such as agents or commission agents, external advisors or *joint ventures*.

3. SCOPE OF APPLICATION

This Policy is applicable to all ACS activities, and compliance therewith is therefore mandatory for members of the governing bodies, managers, employees, workers or temporary employees or employees under collaboration agreements, and ACS interns or volunteers (hereinafter the "**Members of the Organization**"), encouraging all staff to perform under the same paradigm, while implementing this Policy throughout the entire ACS chain of activities, these obligations being projected onto all the companies in the Group.

Likewise, the Group companies will monitor that the principles of the Policy are applied, where and to the extent appropriate, to the suppliers of goods or services throughout the entire procurement and supply process along the entire Chain of activities (Business Partners).

ACS will also promote the application of the principles of this Policy with respect to participating entities and, where appropriate, with respect to joint ventures and other equivalent associations, whether national or foreign.

In turn, in the implementation of the principles of the Policy, ACS and the Group companies will collaborate constructively with their stakeholders, in order to establish channels of communication, consultation and contacts that contribute to the better performance of the Group and its business Partners in matters of sustainability.

4. FRAMEWORK REGULATIONS (REFERENCE STANDARDS)

This Policy must be interpreted in the context of the following Group Standards and the provisions established in current legislation applicable to the Group, including the following:

- Code of Conduct.
- Code of Conduct for Business Partners.
- Sustainability Policy.
- Human Rights Policy.
- Occupational health and safety Policy.
- Environmental Policy.

- Sustainability Due Diligence Protocol.
- General Risk Control and Management Policy.

5. EXTERNAL SOURCES

The ACS Group continuously monitors developments in sustainability that may be relevant to the Organization and, in particular, those related to the supply chain, to ensure that the internal frameworks for action are up to date and based on an analysis of the latest internationally recognised agreements and standards for their integration when these are relevant to and feasible for ACS and the companies of the Group, also considering the legitimate expectations of the different stakeholders.

6. SUPPLIER CLASSIFICATION

ACS uses the following classification of suppliers within the scope of its goods procurement and service contracting processes:

- **Suppliers or Direct Business Partners (tier-1):** natural or legal persons with whom ACS maintains a commercial agreement related to its operations, products or services.
- **Indirect Suppliers (tier-2):** natural or legal persons who maintain a commercial or business agreement with a tier-1 Supplier related to ACS's activities the object of which is the supply of materials or the provision of services within the scope of ACS's Chain of activities. Example: A tier-2 supplier sells to a tier-1 supplier a raw material that the latter needs to manufacture a component that will subsequently be transferred to ACS and that the Organization will use within the scope of its business activities.
- **Critical Suppliers:** tier-1 Suppliers or Business Partners and/or tier-2 Suppliers that:
 - have significant business relevance for the Organization (the percentage of procurement or subcontracting expenditure is significantly higher than the average of the Organization 's other suppliers);
 - are suppliers of critical (project-related) components; and/or

- are non-replaceable suppliers.
- **Relevant Suppliers:** tier-1 Suppliers or Business Partners and/or tier-2 Suppliers that:
 - are critical suppliers; or
 - have been identified as presenting actual or potential risks of adverse impacts on sustainability.

7. BASIC PRINCIPLES OF ACTION

With this policy, ACS establishes its objective of integrating sustainability aspects into the entire procurement and supply process of both the company and its divisions, regardless of the geographical location and where the suppliers with whom it maintains a commercial or business relationship (Business Partners) provide their services; this commitment is extended to all the companies in the ACS Group.

The ACS Group has a decentralised 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, always based on the common principles and objectives defined in this Policy, which are to:

- Map the supply chain, identifying points where material impacts, risks and opportunities occur from a sustainability perspective.
- Adopt appropriate due diligence measures to identify, assess, prioritise, prevent, mitigate and, where appropriate, remedy actual or potential human rights and environmental adverse impacts.
- Ensure that the approval processes and the systems for managing and collecting information from suppliers consider sustainability issues that are material to the Organization.
- Continuously review and, where appropriate, update and improve purchasing and procurement processes to ensure their alignment with the principles set out in the Code of Conduct for Business Partners and do their utmost to avoid potential sustainability adverse impacts.

- Establish a pre-assessment and identification system for Relevant Suppliers that takes into consideration and evaluates aspects such as the supplier's economic relevance for ACS, as well as social, environmental or governance aspects relating to the supplier in question, including in turn the pre-assessment of potential risks related to country risk, sectorial risks or product/service type risks, among others.
- Collaborate with suppliers that meet ACS's sustainability standards, excluding those that are considered to have a high likelihood of causing severe human rights or environmental impacts.
- Collect information on material IROs in order to report this to third parties and to the Group's entities so that they can in turn comply with their commitments regarding information transparency.
- Inform Relevant Suppliers and contractors about the Organization's sustainability commitments.
- Prioritise, when conditions are comparable and equivalent circumstances exist, the contracting of Relevant Suppliers and contractors that are able to demonstrate specific decarbonisation and, in general, sustainability objectives. Priority will be given to contracting Relevant Suppliers with better performance in terms of sustainability, applying a certain weight to the standards for supplier approval and selection based on the sustainability criteria that ACS and each Group company establish based on their internal operations.
- Systematically evaluate Relevant Suppliers and, in the event that shortcomings are observed in terms of sustainability or these suppliers are not aligned with the minimum internal principles established by the Organization, corrective measures will be agreed with them to resolve these shortcomings within the stipulated period of time. If these shortcomings are not corrected, the Organization will consider the possibility of suspending or terminating the commercial or business relationship, after considering the adverse impacts that could potentially arise from this circumstance.
- Recurrently evaluate the sustainability behaviour of suppliers in relation to issues such as health and safety, respect for human rights and protection of the environment (decarbonisation, pollution, biodiversity, water resources or circular economy). Heightened attention is given to suppliers with low or medium but manageable sustainability risks.

- Promote collaboration with suppliers to drive innovation in order to seek technological solutions that contribute to the decarbonisation of ACS's Supply chain.
- Train and raise awareness among the Members of the Organization and tier-1 suppliers regarding compliance with the principles established in this Policy and the relevance of their role in the ACS Supply chain and procurement so that they, in turn, extend this commitment to tier-2 suppliers.
- Establish training and awareness-raising programmes for Relevant Suppliers in order to improve their sustainability performance, including, where possible, access for Relevant Suppliers to comparisons in terms of sustainability practices.
- Establish measures to avoid delays in payments to suppliers, as well as to resolve disputes or claims related to them. With regard to payments to suppliers, the payment deadlines provided for in applicable legislation will be complied with.

8. CONTRACTING AND SUPPLY PROCESSES

Appropriate measures are adopted in connection with the Basic Principles of Action referred to above and to ensure their effectiveness and adopt appropriate due diligence measures, within the scope of procurement and supply processes with Relevant Suppliers. These measures include the following:

- **Approval:** the responsible Supply Chain management model begins with a process of approval of Relevant Suppliers in which compliance with the core criteria established by ACS and its Group companies to form part of their Supply Chains is evaluated, considering, through external evaluation platforms, questionnaires and computer platforms, not only the economic and technical aspects, but also different aspects related to sustainability such as environmental certifications, quality or adherence to international standards on human rights, in such a way that the suitability of Relevant Suppliers can be evaluated to align with the objectives and principles established in this Policy and to facilitate the identification, prevention and management of potential Supply Chain impacts.
- **Analysis:** Contracted Relevant Suppliers subsequently pass through an analysis phase that forms part of the management and continuous improvement system. For these purposes, Relevant Suppliers may be subject to spot audits on a random basis,

conducted both internally and by independent third parties, which seek to ensure compliance with the contractual commitments undertaken by suppliers and providers, identify potential non-compliances and implement, where appropriate, corrective or management measures adapted to the specific circumstances in each case that may ultimately lead to the immediate termination of the contractual relationship.

- **Relevant Suppliers:** These suppliers are analysed for their identification in the Supply Chains and, when appropriate, to propose remediation initiatives and plans to enhance the identified areas of improvement, which include, among others, training and collaboration activities.

9. GOVERNANCE

This Policy includes the bases of ACS's governance in sustainability matters as established in the ACS General Sustainability Policy with projection onto the Group. In this regard, consideration is given to the competences and functions attributed to, on the one hand, the Board of Directors and the Audit and Sustainability Committee, and on the other hand, the Sustainability Directorate and the Governance and Compliance Committee.

10. WHISTLE-BLOWING AND COMPLAINTS CHANNELS

All Members of the Organization and, in general, authorized persons who are aware of or have reasonable suspicion of any breach of the commitments undertaken in this Policy must report said breach through the channels provided for this purpose, in accordance with the provisions established in the Policy on Operation of the Ethical Channel of ACS.

11. REACTION TO NON-COMPLIANCE

Failure to comply with the provisions of this Policy puts ACS and the Group companies at risk and may be subject to legal action.

In the event of any breach of the provisions of this Policy, ACS Group entities will react immediately as provided in the applicable regulations, implementing the legitimate measures available to them.

Potential breaches of this Policy may be communicated through the different means available to ACS Group entities in their management systems or through the ACS Ethical Channel.

12. APPROVAL, DISSEMINATION AND ENTRY INTO FORCE

This Policy will be applicable after its approval by the Board of Directors of ACS on the date indicated at the beginning of this document, and shall be of mandatory application from that moment forward, without prejudice to the fact that ACS and the Group companies may avail themselves of the deadlines provided for in the applicable regulations with respect to the enforceability of corporate sustainability due diligence obligations.

The Policy shall be available on the Company's corporate website (www.grupoacs.com) and shall be communicated to all companies in the Group.

13. ADDITIONAL CONSIDERATIONS

Although this Policy may be translated into different languages, the official version thereof, for the purposes of interpretation, shall be the Spanish version.