

All the Risks and Opportunities indicated with a “Y” in the "Impact Dependency" column derive directly from the occurrence of an Impact.

- The three opportunities identified under Circular Economy derive from positive impacts related to the input and output of resources. Implementing circular measures not only reduces waste by lowering costs, but can also be a way to set the company apart from its competitors.
- The health and safety risk of the company's own workers may arise due to accidents among them. An accident for which the Group is directly responsible may result in loss of stakeholder confidence and legal costs.
- The opportunity related to properly managing equality and harassment in the workplace may make ACS more attractive for qualified employees who identify it as a socially responsible company.
- The risks identified under Governance derive directly from the company's governance management. Corruption or an ineffective whistleblowing system could result in significant costs for the Group, as well as a loss of reputation among its stakeholders.

The analysis of the current financial effects of the company's material Risks and Opportunities indicates that there is no significant risk of a material adjustment to the carrying amounts of assets and liabilities in the next reporting period.

### 0.3. Double Materiality – Material Topics

#### 0.3.1. IRO-1: Description of the process to identify and assess material Impacts, Risks and Opportunities

The Double Materiality Analysis forms the basis for this ACS Group Sustainability Report. The main objective of this analysis is to carry out an exhaustive assessment of all ACS Group companies to identify their Impacts, Risks and Opportunities and to determine the material topics that need to be developed in the sustainability report, from a dual perspective:

- **Financial materiality:** analyses how the ACS Group's setting influences its development, financial position and performance, cash flows, access to financing and cost of capital.
- **Impact materiality:** analyses how the ACS Group's various activities affect the environment and people in the short, medium or long term, both positively and negatively.

This analysis facilitates the integration of material sustainability topics as a key element of the ACS Group's strategy and decision-making.

To carry out the Double Materiality analysis, the requirements set out in the ESRS were considered and European Financial Reporting Advisory Group (EFRAG) implementation guide "IG1 Materiality Assessment" was taken as a reference. Furthermore, as this is the first year that this analysis has been incorporated, it is not possible to make a comparison with previous periods.

The process followed by the ACS Group to carry out the dual materiality analysis consisted of the following steps:

#### Context Analysis

A Context Analysis is the first step of a Double Materiality analysis. Its main objective is to understand the current state of the ACS Group, establish the perimeter of the analysis, and identify the most relevant topics in the sector, considering regulatory aspects, market trends, comparisons with companies in the sector (peers) and the perspective of analysts.

This analysis allows the materiality process to be properly contextualised and ensures that the most significant aspects for the ACS Group are addressed, first determining which sustainability topics will be subject to the ACS Group's double materiality analysis.

The Context Analysis includes:

- **Commercial activities and relations**

First, an analysis of the ACS Group's main activities and business relationships was carried out, including the determination of its value chain, which is one of the most relevant documents in the Double Materiality analysis. It represents all the activities and stakeholders related to the ACS Group (for more information on the ACS Group's activities and value chain, see section SBM-1 of this chapter).

- **Regulatory environment and analysis of competitors, benchmarks and sectoral reports**

The ACS Group has analysed its ESG context and its applicable regulatory situation, in addition to studying the industry and its direct competitors. To this end, the following activities were carried out:

ESG context of the ACS Group: An understanding of the ACS Group's current situation in terms of sustainability, assessing the direct implications that the transformation of ESG trends have on the ACS Group's business.

- **ESG context of the sector:** An understanding the current state of the sector's sustainability situation, identifying the key ESG topics, as well as the main activities or operations in the sector that have the greatest impact on sustainability, such as construction and operations.
  - **Trends in the sector:** An analysis of the trends in the sector and the relevant topics to be taken into account, applying the Sustainability Accounting Standards Board (SASB) standards for the sector. An ESG projection is made for the sector in 2030, identifying horizontal topics related to the environmental, social and governance blocks.
  - **The regulatory framework:** Identification of the status of the regulatory framework applicable to the ACS Group, which is increasingly stringent and consists mainly of the CSRD Directive, the EU Taxonomy Regulation, the Sustainable Finance Disclosure Regulation (SFDR) and the EU Green Bond Standard Guidance.
  - **Analyst and investor benchmarks:** An analysis of the most relevant ESG topics in the sector for analysts and investors, identifying both groups' environmental, social and governance expectations. The S&P Global and MSCI indices are applied to assess the expectations that analysts associate with various ESG topics.
  - **Peer benchmarks:** Analysis of the most relevant ESG topics for the company's main peers.
- **Stakeholders**

The ACS Group carries out Stakeholder mapping to identify its key interests and needs, thus identifying which stakeholders should be consulted when identifying and evaluating IROs. These consultations make it possible to analyse whether the ACS Group is in line with these groups' expectations. Stakeholders have been classified into two categories, and two different methodologies have been applied for each of them.

- **Internal Stakeholders:** Direct participation in identifying and assessing IROs. These stakeholders are:
  - Employees of ACS Group companies.
  - Executives of ACS Group companies.
- **External Stakeholders:** Indirect participation through surveys to identify their most relevant topics. These stakeholders are:
  - **Shareholders.** A total of 14 were consulted.
  - **Suppliers and Contractors.** A total of 15 were consulted.
  - **Customers.** A total of 15 were consulted.

Once the stakeholder consultation is complete, the topics that are most relevant to stakeholders are identified:

- **Environment**
  - **Impact Materiality:** Climate Change and Circular Economy.
  - **Financial Materiality:** Climate Change.
- **Social**
  - **Impact Materiality:** Value Chain Workers and Customers and End Users.
  - **Financial Materiality:** Customers and End Users.
- **Governance**
  - **Impact Materiality:** Corruption and Bribery.
  - **Financial Materiality:** Corruption and Bribery.

Once the context analysis has been completed and the topics of greatest relevance to Stakeholders have been identified, the ACS Group's impacts, risks and opportunities are identified and assessed, based on the full list contained in ESRS 1, AR16.

### Establishment of the methodology

Before starting to identify Impacts, Risks and Opportunities (IROs), it was essential to establish a common criterion and methodology for all the ACS Group companies. To this end, two key points were defined:

- **Bottom - Up Methodology:** Each of the companies individually carried out the identification and assessment of Impacts, Risks and Opportunities (IROs) following the same methodology taking into account their business models, their business activities throughout their value chain, and their locations. Then the results were consolidated at the ACS Group level. This methodology was adopted because the companies are considered to be the ones that understand their situation best, and to avoid imposing subjective opinions from the ACS Group.
- **Base documents:** Following the guidelines set by the ESRS and the European Financial Reporting Advisory Group (EFRAG) Double Materiality implementation guide, the analysis is aligned with the following internal documents:
  - **Risk Map:** The Risks identified in the Risk Map are mapped using Double Materiality. Both valuation methodologies are aligned, so that the exercises are comparable.
  - **Due Diligence:** All the Negative Impacts identified in the Double Materiality related to human rights are aligned with the ACS Group's Due Diligence.
  - **Climate Risk Analysis:** The Material Risks identified in the Climate Risk Analysis were included in the Double Materiality Analysis.
  - **Biodiversity Risk Analysis:** The Material Risks identified in the Biodiversity Risk Analysis were included in the Double Materiality Analysis.

### Identification of Impacts, Risks and Opportunities

Based on the list of Topics, Sub-topics and Sub-sub-topics in ESRS 1 in Application Requirement 16 and, together with the information gathered during the context analysis and other internal documents mentioned in the previous section, a preliminary list of IROs is developed.

This preliminary list is shared with the heads of Hochtief, Dragados, Clece and Iridium, who have the opportunity to include, modify or remove the IROs they consider relevant. To ensure a holistic approach, the heads of the specific areas related to each topic are involved.

At the same time, explanatory workshops are held for the heads of the companies to stress the importance of the Double Materiality Analysis and detail the procedure to be followed.

Once the companies draw up their list of IROs, it is first validated by each company's sustainability officer. Then the consolidated list is reviewed and approved internally by the ACS Group's Sustainability Department, to ensure it is aligned with the ACS Group's criteria and targets.

For the Impact Materiality, the Impacts were identified and classified into:

Positive	Negative
The effect generated by the Impact contributes to creating value to the setting	The effect generated by the Impact causes a deterioration of the setting
Actual	Potential
The impact is happening right now	The impact may materialise in the future

For the Financial Materiality, the Risks and Opportunities were identified:

Risk	Opportunity
External factors that may negatively affect the company in financial, operational or reputational terms. They may stem from regulatory, environmental, social or economic changes.	External factors that may positively affect the company in financial, operational or reputational terms. They may stem from regulatory, environmental, social or economic changes.

### Assessment of Impacts, Risks and Opportunities

Once the companies prepared their respective lists of Impacts, Risks and Opportunities, they were assessed to assign an individual score to each of them, to determine their materiality. For this process, the following metrics were used:

Impact Materiality:

Scale	Scope	Probability	Remediation
Represents the severity of the impact on the setting or stakeholders	Physical space or number of people affected by the Impact	Measures the likelihood of the IRO occurring	Difficulty to return to the state before the Impact happened, measured in time and amount of resources needed
5 = Very high 4 = High 3 = Average 2 = Low 1 = Very low 0 = Nil	5 = Overall / Total 4 = Broad 3 = Moderate 2 = Concentrated 1 = Limited	4 = Very likely (>75%)(1) 3 = Likely (50-75%)(0.85) 2 = Unlikely (25-50%) (0.70) 1 = Very unlikely (<25%)(0.65)	5 = Irremediable 4 = Very severe /Long term 3 = Difficult / Medium term 2 = Possible with effort 1 = Easy / Short term

Financial Materiality:

Financial Impact	Probability
Reflects the degree of economic impact that a Risk or Opportunity may have on the company. Measured versus ACS's 2023 Profit Before Tax (EUR 1,127 million)	Measures the likelihood of the IRO occurring
5 = Very high (>5%) (>EUR 56 million) 4 = High (3%-5%) (EUR 34-56 million) 3 = Moderate (1.5%-3%) (EUR 17-34 million) 2 = Low (0.5% -1.5%) (EUR 6-17 million) 1 = Very low (0% -0.5%) (EUR 0-6 million)	4 = Very likely (>75%)(1) 3 = Likely (50-75%)(0.85) 2 = Unlikely (25-50%) (0.70) 1 = Very unlikely (<25%)(0.65)

The individual result of each IRO is calculated using the following formula, based on the values of the metrics

Impacts		
	Positive	Negative
Actual	$(\text{Scale} + \text{Scope}) * 1.5$	$\text{Scale} + \text{Scope} + \text{Remediation}$
Potential	$(\text{Scale} + \text{Scope}) * 1.5 * \text{Probability}$	$(\text{Scale} + \text{Scope} + \text{Remediation}) * \text{Probability}$

The final result is measured on a scale of 15. An Impact is considered Material when it scores 8 or higher. The results are multiplied by 1.5 so that they will all be numerically comparable.

Any Potential Impacts that may have an effect on the human rights of any stakeholder group have been assessed according to ESRS and EFRAG guidelines. In this case, the impact (Scale + Extent + Remediable) prevails over Probability, which is assessed as 4 = Very likely (75%) (1).

### Risks and Opportunities

$\text{Financial Impact} * \text{Probability}$

The final result is measured on a scale of 5. A Risk or Opportunity is considered Material when it scores 3 or higher.

### Consolidation of results at the ACS Group level

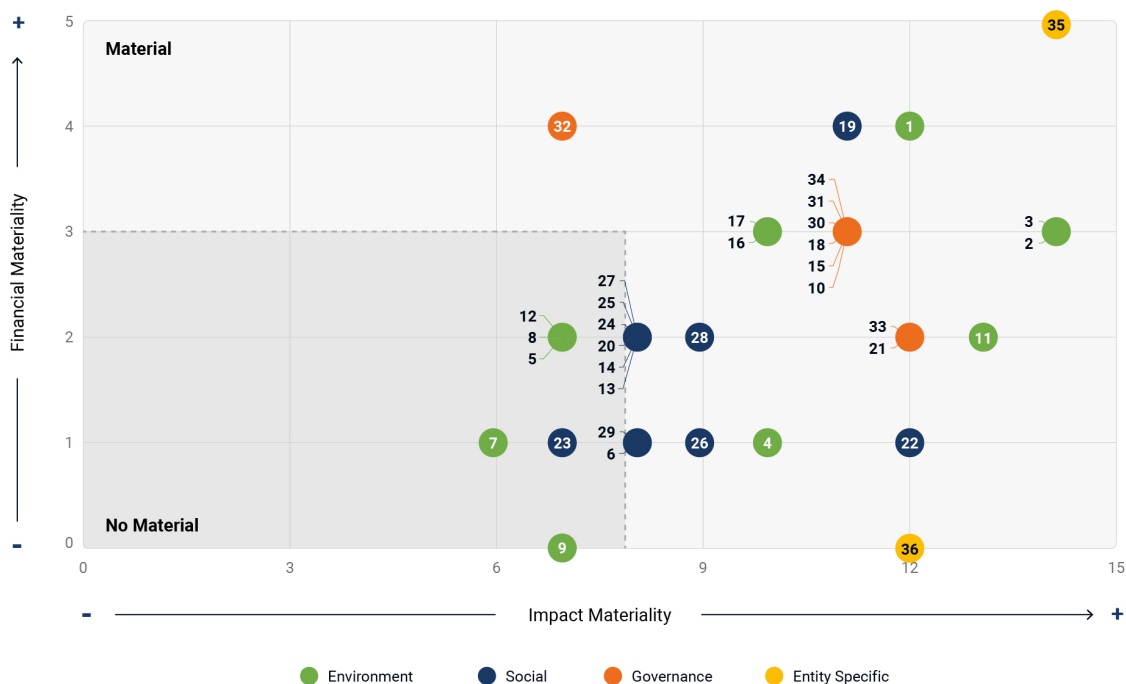
Once the four companies completed the identification and assessment of their Impacts, Risks and Opportunities (IROs), the results were consolidated through a structured process by ACS. First, the four companies sent ACS their respective lists of valued IROs. Then an internal review of these lists was carried out, during which questions were answered and any outstanding issues were addressed. In the next phase, any IROs with identical concepts of a similar nature were consolidated together. The highest score of the unified IROs was then selected as the final score for each IRO. The scoring of the topics is defined according to the IRO with the highest score within each topic. Lastly, the final results were shared with the four companies for verification and validation.

The criteria used to consolidate the four lists from Hochtief, Dragados, Clece and Iridium were as follows:

- **IROs will only be consolidated if their content is identical.** This may be identical, even if they are worded differently.
- **IROs will only be consolidated if they are of the same nature,** i.e. two Impacts can only be consolidated if they are both Potential Positive.
- **IROs will only be consolidated if they are Material or Non-Material.** For example, a Non-Material Impact cannot be consolidated with a Material Impact.
- **A Topic becomes Material as soon as at least one assessed Impact/Risk/Opportunity scores above the set threshold.**

Once the individual list of Impacts, Risks and Opportunities (IROs) assessed by each of the companies was consolidated, the results of the Double Materiality Analysis were obtained at ACS Group level. The Double Materiality matrix, which reflects these results, is presented below.

### Double Materiality Analysis Results



1	Climate change adaptation	13	Impacts on ecosystem extent and condition	25	Civil and political rights of communities
2	Climate change mitigation	14	Impacts and dependencies on ecosystem services	26	Indigenous peoples' rights
3	Energy	15	Resource inflows, including their use	27	Information-related impacts for consumers and/or end-users
4	Air pollution	16	Resource outflows related to products and services	28	Personal safety of consumers and/or end-users
5	Water pollution	17	Waste	29	Social inclusion of consumers and/or end-users
6	Soil pollution	18	Working conditions	30	Corporate culture
7	Contamination of living organisms and food resources	19	Equal treatment and opportunities for all	31	Protection of whistleblowers
8	Substances of concern	20	Other labour rights	32	Political commitment
9	Microplastics	21	S2: Working conditions	33	Management of relationships with suppliers, including payment practices
10	Water	22	S2: Equal treatment and opportunities for all	34	Corruption and bribery
11	Direct impacts driving biodiversity loss	23	S2: Other labour rights	35	Innovation and digital transformation
12	Impacts on the state of species	24	Economic, social and cultural rights of communities	36	Donations and foundations

### 0.3.2. IRO-2: Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

The process of identifying the information to be disclosed on material impacts, risks and opportunities starts with identifying the IROs and associating them with the AR16 topics, sub-topics and sub-sub-topics, as well as other ACS Group specific (entity specific) topics. Once the dual materiality process described in IRO-1 was applied, applying specific thresholds and assessment criteria, the material IROs and their related material topics were obtained, identifying the disclosure requirements and linking their datapoints to these material IROs.

The disclosure requirements addressed in this sustainability report, including the paragraphs and page numbers, are detailed below.

#### List of disclosure requirements fulfilled in the preparation of the sustainability statement, following the results of the materiality assessment

ESRS Section	Section	Disclosure Requirement	Page number in the section, if applicable - below	
ESRS-2 General Information	Basis for presentation	BP-1 General basis for presenting the Statement of Non-Financial Information (Sustainability Report)	4	
		BP-2 Disclosures in relation to specific circumstances	4-7	
	Strategy and Business model	SBM-1 Strategy, business model and value chain	4-12	
		SBM-2 Interests and views of stakeholders	13-15	
		SBM-3 Material Impacts, Risks and Opportunities and their interaction with strategy and business model	15-35	
	Double Materiality- Material Topics	IRO-1 Description of the process to identify and assess material Impacts, Risks and Opportunities	35-41	
		IRO-2 Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	41-44	
	Governance	GOV-1 The role of the administrative, management and supervisory bodies	44-50	
		GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	50-52	
		GOV-3 Integration of sustainability-related performance in incentive schemes	52-53	
		GOV-4 Statement on due diligence	53	
		GOV-5 Risk management and internal controls over sustainability reporting	54	
	Minimum Disclosure Requirements	MDR-P Policies adopted to manage material sustainability matters	54-62	
		MDR-T Tracking effectiveness of policies and actions through targets	63	
	ESRS E-1 Climate Change	ESRS-2 GOV-3 Integration of sustainability-related performance in incentive schemes	ESRS-2 GOV-3 Integration of sustainability-related performance in incentive schemes	64-65
			E1-1 Transition plan for climate change mitigation	65-68
Strategy		ESRS-2 SBM-3 Material Impacts, Risks and Opportunities and their interaction with strategy and business model	68-70	
		ESRS-2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	70-72	
Management of Impacts, Risks and Opportunities		E1-2 Topics related to climate change	72-74	
		E1-3 Actions and resources for climate change	74-78	

ESRS Section	Section	Disclosure Requirement	Page number in the section, if applicable - below
ESRS E-1 Climate Change	Metrics and Targets	E1-4 Targets related to climate change	79-80
		E1-5 Energy consumption and mix	80-82
		E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	82-86
		E1-7 GHG removals and GHG mitigation projects financed through carbon credits	86-87
		E1-8 Internal carbon pricing system	87
ESRS E-2 Pollution	Management of Impacts, Risks and Opportunities	ESRS-2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	88
		E2-1 Policies related to pollution	88-89
		E2-2 Actions and resources related to pollution	89-91
	Metrics and Targets	E2-3 targets related to pollution	91-93
		E2-4 E2-4 Pollution of air and soil	93-94
ESRS E-3 Water	Management of Impacts, Risks and Opportunities	ESRS-2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	95
		E3-1 Policies related to water and marine resources	95-96
		E3-2 Actions and resources related to water	96-97
	Metrics and Targets	E3-3 Targets related to water and marine resources	97-98
		E3-4 Water consumption	99-100
ESRS E-4 Biodiversity	Strategy	E4-1 Biodiversity Transition Plan	101-104
		ESRS-2 SBM-3 Material Impacts, Risks and Opportunities and their interaction with strategy and business model	104-106
	Management of Impacts, Risks and Opportunities	ESRS-2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	106-107
		E4-2 Policies related to biodiversity and ecosystems	107-109
		E4-3 Actions and resources related to biodiversity and ecosystems	109-112
	Metrics and Targets	E4-4 Targets related to biodiversity and ecosystems	113-114
		E4-5 Impact metrics related to biodiversity and ecosystems change	115-116
ESRS E-5 Circular Economy	Management of Impacts, Risks and Opportunities	ESRS 2-IRO 1 Description of the process to identify and assess material impacts, risks, dependencies and opportunities	117
		E5-1 Policies related to resource use and circular economy	117-118
		E5-2 Actions and resources related to resource use and circular economy	118-121
	Metrics and Targets	E5-3 Targets related to resource use and circular economy	122-124
		E5-4 Resource inflows	124-125
		E5-5 Resource outflows	125-127
European Union Taxonomy	Context and Introduction		128-129
		Assessment of eligibility	129-130
		Alignment assessment	130-132
		Calculation of indicators	132-133
	Results and conclusions	Turnover	136-139
		CapEx	140-143
		OpEx	144-147
ESRS S-1- Own Workers	Strategy	ESRS-2 SBM-2 Interests and views of stakeholders	149
		ESRS-2 SBM-3: Relatively material impacts, risks and opportunities and their interaction with strategy and business model	149-150

ESRS Section	Section	Disclosure Requirement	Page number in the section, if applicable - below
ESRS S-1- Own Workers		S1-1 Policies related to own workforce	150-152
	Management of Impacts, Risks and Opportunities	S1-2 Processes for engaging with own workers and workers' representatives about impacts; and S1-3: Processes to remediate negative impacts and channels for own workers to raise concerns	152-154
		S1-4 Actions and resources to manage material IROs on own workforce	154-163
		S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities in relation to own workforce.	163-165
	Metrics and Targets	S1-6 – Characteristics of the undertaking's employees	166-169
		S1-8 Collective bargaining coverage and social dialogue	170
		S1-9 Diversity indicators	170
		S1-10 - Adequate wages	170
		S1-12 - Persons with disabilities	170
		S1-13 - Training and skills development metrics	170-171
		S1-14 - Health and safety indicators	171-174
		S1-16 Compensation indicators (pay gap and total compensation)	174-177
	S1-17 – Incidents, complaints and severe human rights impacts	177	
	ESRS S-2- Workers in the value chain	Strategy	ESRS-2 SBM-2 Interests and views of stakeholders
SBM-3 Material Impacts, Risks and Opportunities and their interaction with strategy and business model			178-179
Management of Impacts, Risks and Opportunities		S2-1 – Policies related to value chain workers	179-181
		S2-2 – Processes for engaging with value chain workers about impacts; and S2-3: Processes to remediate negative impacts and channels for value chain workforce to raise concerns	181-182
		S2-4 –Actions and resources related to value chain workforce	182-183
Metrics and Targets		S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	184-185
ESRS S-3- Affected communities		Strategy	ESRS 2 SBM-2 Interests and views of stakeholders
	SBM-3 Material Impacts, Risks and Opportunities and their interaction with strategy and business model		186-187
	S3-1: Policies related to affected communities		187-188
	Management of Impacts, Risks and Opportunities	S3-2 Processes for engaging with affected communities about impacts; and S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns	189-190
		S3-4 Taking action on material impacts on affected communities	190-192
	Metrics and Targets	S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	192-193
ESRS S-4 Clients and end-users	Strategy	ESRS-2 SBM-2 Interests and views of stakeholders	194
		ESRS-2 SBM-3 Material Impacts, Risks and Opportunities and their interaction with strategy and business model	194-195
	Management of Impacts, Risks and Opportunities	S4-1 Policies related to consumers and end-users	195-196
		S4-2 Processes for engaging with consumers and end-users about impacts; and S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	196-198
		S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	198-201
	Metrics and Targets	S4-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	201-202

ESRS Section	Section	Disclosure Requirement	Page number in the section, if applicable - below
ESRS G-1- Business Conduct	Governance	ESRS-2 GOV-1 The role of the administrative, management and supervisory bodies	203-204
		ESRS-2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	204
	Management of Impacts, Risks and Opportunities	G1-1 Corporate culture and business conduct policies and corporate culture	204-210
		G1-2 – Management of relationships with suppliers	210-213
		G1-3 – Prevention and detection of corruption and bribery	213-215
		G1-4 – Confirmed incidents of corruption and bribery	215
	Metrics and Targets	G1-5 – Political influence and lobbying activities	215-216
		G1-6 – Payment practices	216
Innovation and Digital Transformation	Strategy		217
	Management of Impacts, Risks and Opportunities	ESRS-2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	217
		Policies related to innovation and digitisation	217-218
		Actions related to innovation and digitisation	218-221
		Targets related to innovation and digital transformation	221-222
	Metrics and Targets	Indicators related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	222
Donations and foundations	Strategy		223
	Management of Impacts, Risks and Opportunities	ESRS-2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	223
		Policies related to donations and foundations	223-224
		Actions and resources earmarked for grants and foundations	224-227
		Targets related to social action	227
	Metrics and Targets	Indicators related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	227

In addition, the Annexes section provides the table with all the data points required under EU legislation, indicating where they can be found in the sustainability status and including those that ACS has considered to be not material.

## 0.4. Governance

### 0.4.1. GOV - 1: The role of the administrative, management and supervisory bodies

#### The basis of the Governance model of ACS and its Group

The Governance model of ACS and its Group is essentially defined in the Corporate Governance Policy which, within the framework of recent changes to EU law that extend to Spain, was updated by the Board on 19 December 2024 in the context of a coordinated review of ACS's main corporate policies.

The Company's governance is based on ACS's corporate values established in its Code of Conduct (integrity, excellence, trust, sustainability and profitability), which serve as the basis for the culture of ethics and regulatory compliance that has governed the ACS Group's activities since it was founded. These values inspire the rules, policies and procedures that make up the ACS Governance System, which includes the regulation of the composition, structure and functioning of the Company's governing bodies and the relationships between them and their members and executives, for their activity to be oriented towards