1. ESRS E-1. Climate Change

Climate change is the result of significant alterations in the Earth's climate, driven primarily by increases in greenhouse gases (GHGs). These alterations generate phenomena such as rising temperatures, changes in weather patterns, and extreme weather events.

Among the various sectors contributing to GHG emissions, the infrastructure and construction sector plays a prominent role, as it is responsible for a high proportion of global emissions. This is mainly due to the intensive use of materials such as cement and steel, as well as energy consumption (e.g., in the form of fuel for machinery and equipment).

As a global company, the ACS Group is aware of the important role it can play in the fight against climate change thanks, fundamentally, to its potential contributions to decarbonisation and energy transition or adaptation through the reduction of the physical risks arising from extreme climate events. Therefore, the ACS Group has established as part of its Sustainability Master Plan targets the promotion of energy efficiency and the reduction emissions in its business activities, and being a leader in the transition to sustainable infrastructure, providing innovative solutions to meet the challenges of climate change.

In the framework of the CSRD, ESRS E-1 on climate change cannot be analysed in isolation, as it is deeply connected to other environmental standards. Aspects such as biodiversity, water use and management, pollution and the circular economy are intrinsically linked to climate change, generating interactions that can amplify its impacts or, conversely, offer integrated solutions.

The ACS Group believes that addressing environmental topics with a holistic view of these interdependencies is essential to address environmental challenges effectively and sustainably, and to meet the expectations of stakeholders and society at large.

1.1. ESRS 2 - GOV 3 Integration of sustainability-related performance in incentive schemes

ACS's Board defines the strategic guidelines on climate change, while the Audit and Sustainability Committee supervises their implementation and development in the Group.

The Sustainability Department is responsible for ensuring compliance with the climate strategy, leading the preparation, implementation and tracking of the Climate Change Mitigation Transition Plan, reporting directly to the Chief Executive Officer and the Audit and Sustainability Committee.

Given the Group's decentralised management model, each company is responsible for implementing and tracking its own decarbonisation, adaptation and resilience strategies, ensuring their alignment with the Group's principles and commitments.

For more details on sustainability governance at ACS, please refer to chapter ESRS-2.

As far as remuneration is concerned, the 2024 Annual Director Remuneration Policy covers the following aspects:

Executive Directors

Under the 2024 annual incentive plan for executive directors, 33.3% of the directors' incentives were linked to non-financial targets associated with a single non-financial target, which brings together all the sustainability parameters generally accepted by the market, consisting of the Group being included on the main international sustainability indices. More specifically, to meet the target, the Group's listed companies (both ACS and Hochtief), had to rank among the top companies in the Dow Jones Sustainability Index, meaning ACS and Hochtief would have to rank above the 90th percentile, with the base target of being in the 95th percentile. In the case of companies above the 98th percentile, a 50% premium will be applied if either of the companies enters the world or European index in their sector.

In the specific case of the CEO, as Hochtief's top executive officer, he has been granted a short-term incentive plan subject to Hochtief's operational and financial performance, with 10% of its non-financial targets related to ESG metrics and Hochtief.

In 2024, the non-financial targets were met, as the ACS Group was positioned in the 98th percentile and was included in the DJSI Europe index.

20% of the 2025 incentive plan is based on non-financial targets, which strengthens the Group's commitment to sustainability by setting specific, quantifiable targets related to the environment, safety and social responsibility in general.

Specifically, a non-financial target has been proposed for 2025, which is the Standard & Poor's assessment for inclusion in the Dow Jones sustainability indices, thus bringing together all the sustainability parameters generally accepted by the market. ACS will be required to obtain at least a ranking above the 92nd percentile, with a base target of being in the 96th percentile. If the Company is above the 98th percentile, a 50% bonus will be applied.

In addition, compliance with the ACS Group's Sustainability Master Plan approved in 2021 will be weighted, which set 38 targets for 2025. This weighting will first value the degree to which the 17 priority targets have been achieved, in particular as regard reducing direct emissions and improving the incident rate of own employees.

In addition, the executive directors also receive a multi-year bonus if they meet targets including having the Group ranked in the 85th percentile of the DJSI in the period.

ACS Group Executives

Under the Stock Option Plan the ACS Group set for executives in 2023, to earn their shares or exercise their options, participants must hit, among others, the following target linked to sustainability:

- With a weighting of 20%, the average percentile obtained in the DJSI in 2023-25 must be greater than 85%. In this case, the executive receives 100% of the rights allocated under this criterion. If the average DJSI percentile in the measurement period is less than the 60th percentile, the executive receives no rights under this criterion. If the result for ACS is between the 60th and 85th percentile, the number of rights received by the executive will be proportional to result within this range (0% for the 60th percentile and 100% for the 85th percentile).

1.2. Strategy

1.2.1. E1-1 Transition plan for climate change mitigation

Within the ACS Group, several companies have a transition plan for mitigating climate change or are implementing levers and measures to reduce their emissions. This is to meet the targets that the ACS Group has set for itself, and to make good on its commitment in its 2025 Strategic Sustainability Plan to achieve the target of zero net emissions by 2045.

The GHG emission reduction targets are described in E1-4 and are consistent with limiting global warming to 1.5°C in line with the Paris Agreement, as explained below.

Based on the transition plans of Hochtief (including Hochtief Europe, Hochtief PPP, Turner, CIMIC and Flatiron, prepared in 2023), Clece and Dragados (prepared in 2024), the ACS Group Climate Change Mitigation Transition Plan was developed and approved by the Group's Sustainability Department in 2024. In a group as global and diverse as ACS, integrating the decarbonisation plans and efforts of individual companies into a Group plan such as the Climate Change Mitigation Transition Plan makes it possible to:

1 Achieve the collective targets in a coherent and effective manner

2 Maximise the positive impact of mitigation efforts on the environment

3 Optimise the use of resources

4 Establish a common framework for evaluation and monitoring

5 Facilitate regulatory compliance, ensuring that each company contributes to the Group's net zero emissions target.

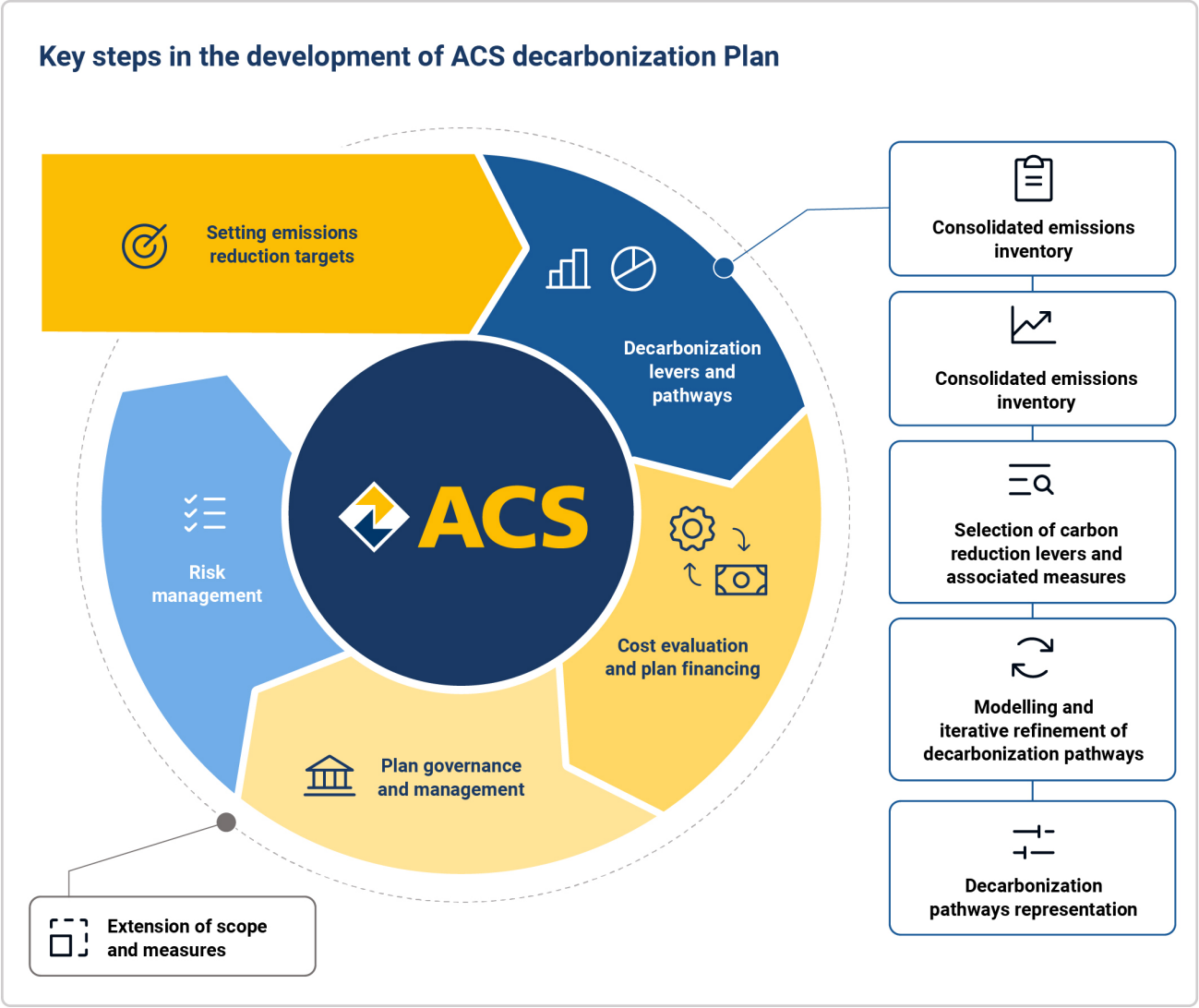
Furthermore, this effort ensures full consistency with the ACS Group’s strategy and its consolidated financial reporting. The Climate Change Mitigation Transition Plan has been led by the Group's Sustainability Department, under the supervision of the Audit and Sustainability Committee, and has been prepared by the ACS Group's Internal Coordination Network for Decarbonisation, with help from those in charge of the decarbonisation strategy of each subsidiary.

Once the general framework for implementing the Group's transition plan had been defined, an assessment was made of the individual targets of each company and those of the Group, and of their compatibility with the Paris Agreement and the targets set by science. After that, further improvements were made to obtain a harmonised and consolidated emissions inventory and thus calculate the carbon footprint of all Group companies in a consistent and comparable manner, defining the baseline.

Thiess has not been included in the perimeter of the Climate Change Mitigation Transition Plan. As of May 2024, this company is 100% consolidated in the ACS Group, so its carbon footprint and strategies for reducing emissions are undergoing scrutiny and a process of homogenisation with the rest of the Group to ensure total coherence. Iridium has also not been included in this first plan, as its emissions represent an insignificant fraction of the Group's total emissions. However, it should be noted that the Climate Change Mitigation Transition Plan includes 98.14% of the ACS Group's Scope 1 and 2 emissions, and 82.81% of its Scope 3 emissions, as well as 93.23% of its sales.

The planned update of the Climate Change Mitigation Transition Plan in 2025 aims, among other things, to incorporate Iridium and Thiess into the Climate Change Mitigation Transition Plan. Likewise, the ACS Group plans to update its Sustainability Master Plan for 2025-2030, which is expected to include a review and/or update of the Group's emission reduction targets.

Lastly, it is worth mentioning that in the analysis of the Group's emissions inventory, no blocked greenhouse gas emissions from the ACS Group's main assets and products was identified that could compromise its compliance with its emissions reduction targets or generate transition risks. The main reason is that the Group carries out projects for customers, mainly as a contractor or manager during the life of the concessions, which means that the Group has no significant assets or products with material locked-in emissions.



The Climate Change Mitigation Transition Plan includes a set of growth, market and technology scenarios to which the levers and measures already in use by Group companies or those agreed by expert judgement are applied for future application in scope 1, 2 and 3 emission reductions. The Climate Change Mitigation Transition Plan thus has levers for:

- Scope 1 and 2 (Efficiency, Fuel Transition and Green Energy)
- Scope 3 (Design, Planning and Efficiency Improvements)
- General (Training and Awareness for Decarbonisation).

These three levers are translated into over 30 specific measures, listed in section 1.3.3, which are implemented in hierarchical order and in accordance with a set of hypotheses and scenarios based on expert judgement. The modelling of the effect of these measures, many of which are already being implemented by the companies, allows the ACS Group to draw up emission reduction trajectories to analyse the effort to meet short, medium and long-term targets in various scenarios. For more information on the decarbonisation levers, see section E1-3, on actions related to climate change.

Although Thiess is not included in the Climate Change Mitigation Transition Plan for the reasons mentioned above, it has defined decarbonisation targets and decarbonisation levers and measures that are already in the implementation phase, as explained in section 1.3.3. on actions. For further information (https://thiess.com/es/sustainability/climate-change).

The Climate Change Mitigation Transition Plan has a pilot cost analysis in terms of CapEx and OpEx, based on the evaluation of the cost per tonne of CO_{2e} avoided associated with each measure. An ad hoc internal working team is currently being set up at Group level to carry out a more granular cost analysis, taking into

account the specific characteristics of the various companies and regions. In addition, the Climate Change Mitigation Transition Plan analyses various financing alternatives. In particular, it considers how much of these costs can be shared with customers and under what model. In other words, the ACS Group approaches the evaluation of costs and their relevant financing by integrating a certain degree of flexibility, appropriate risk management and planning based on scenarios and sensitivity analysis, considering different time horizons and analysing the various options for financing these costs.

As specified in the Sustainability Policy, the ACS Group is structured based on a decentralised management model, and it carries out its activity through a large group of companies that share ACS's culture and values, even though each of them operates independently in its respective functional and responsibility areas. In this regard, implementation, monitoring, supervision, and management of the sustainability strategy are the responsibility of the various companies of the Group within the framework of their respective functional and responsibility areas, in accordance with their characteristics and the regulatory framework applicable to them in each case, adhering in all cases to this Policy's principles, and to the internal regulations established by the Company for purposes of coordination of the Group.

The Climate Change Mitigation Transition Plan therefore has a governance and management structure that is based on combining the operational autonomy of each subsidiary with centralised oversight and coordination to ensure alignment with global targets at Group level, efficiencies and the scaling up of best practices. This means that, in accordance with the Group's governance model, each subsidiary is free to design, implement and manage its own emission reduction plan, taking into account its specific needs, operational context and available resources, and it can therefore choose the levers, measures and actions it considers most effective and appropriate for its particular situation but aligned with the assumptions, scenarios, levers and measures of the Climate Change Mitigation Transition Plan.

The Climate Change Mitigation Transition Plan shows that the selected levers and measures can lead to achieving the proposed targets under the scenarios and assumptions analysed. . However, although the ACS Group has a solid decarbonisation plan, compliance with these targets does not depend exclusively on these levers and actions, but also on the global context in which the Group's operations are carried out. Factors such as geopolitical developments, regulatory policies, availability of clean technologies, sectoral trends and market conditions may accelerate or hinder the implementation of sustainable strategies. Furthermore, the evolution of the sector is key, as decarbonisation requires advances in infrastructure, changes in supply chains and the adoption of new laws and standards that may affect the feasibility and pace of transformations. This makes it essential to adopt a flexible and adaptive approach that takes these external factors into account and allows the plan to be adjusted as the environment evolves.

Lastly, the Climate Change Mitigation Transition Plan has a specific strategy for managing the risks associated with its implementation and update protocols.

Furthermore, it can be concluded that the ACS Group has an effective financing scheme for its decarbonisation plan that does not compromise its financial results, keeping the focus on long-term growth and sustainable profitability.

1.2.2. SBM-3 Material Impacts, Risks and Opportunities and their interaction with strategy and business model

The ACS Group has carried out a resilience analysis to assess the impacts, risks and opportunities related to climate change on the Group's business. This resilience analysis includes the entire value chain, considering both upstream and downstream operations. In addition to considering all the identified physical and transitional risks, the resilience analysis includes an assessment of the opportunities that climate change presents to the Group's businesses.

The methodology used was based on the combination of various climate scenarios and time horizons that allow the Group's resilience to be analysed in the face of different future climate scenarios and on the time horizons of the ACS Group's strategic planning.

Thus, for physical risks, scenarios SSP2-RCP4.5 and SSP5-RCP8.5 have been considered, for the short (< 5 years), medium (< 15 years) and long term (up to 2050) horizons, associated with the ACS Group's various types of activities and projects. SSP2-RCP4.5 is representative of current trends, and SSP5-RCP8.5 can be considered as the worst-case scenario. Even though both are recommended by various external bodies, they are considered conservative and adequate to assess the Group's resilience to physical risks. To assess the transition risks, the International Energy Agency's Stated Policy Scenarios (STEPS) and Net Zero Emissions for 2050 (NZE), aligned with the Paris Agreement's drop-dead 1.5°C limit, and the time horizons (2022-2035) and (2035-2050) have been used. On top of this, the Climate Change Mitigation Transition Plan also describes the set of scenarios for the possible evolution of energy consumption and energy mixes, as well as the deployment of various technologies to see the possible impact on the Group of a transition towards a low-carbon and resilient economy. The time horizons selected allow for harmonisation between the time periods of the Group's various activities, the scenarios for risk and opportunity analysis, and the Group's decarbonisation targets.

As endpoints or resilience analysis results, the identification of decarbonisation levers and key actions, the alignment with the EU Taxonomy, the reporting of adaptation strategy needs and targets, and the integration of climate-related topics into the business strategy have been established.

In terms of physical risk, although the analysis has shown that in some regions in which the ACS Group operates, extreme events could give rise to gross risks, there are factors (passing risk on to customers, specific insurance, contractual clauses covering climate risk, specific health and safety measures, using early warning systems or physical measures against climate impacts, among others) that contribute to the Group's lack of material net risk in the short and medium term. In addition, the ACS Group's experience in implementing procedures to deal with potential climate-related hazards and the technical capabilities developed to anticipate their impacts also lead to the conclusion that the company is equipped with the necessary adaptive capacity to cope with the possible evolution of hazards related to physical risks in the long term, all without material financial impacts.

In terms of transition risks, both the transition risk analysis and the Double Materiality analysis have served to identify certain regulatory, market transition and reputational risks that may vary depending on the scenarios and time horizons. Nevertheless, the resilience analysis showed that the ACS Group currently has a variety of measures (decarbonisation plans in various subsidiaries, an internal climate change mitigation plan, actions for rapid adaptation to new legislation or anticipation of changes in the market) which enable it to face the possible risks of transition with guarantees in all the scenarios and time horizons analysed.

The risks identified in the Double Materiality analysis include a potential drop in contracts for coal mining services. This is because certain companies in the ACS Group operate in the mining sector, providing services ranging from mineral extraction, asset management and environmental restoration (Thiess) to services for mineral processing (Sedgman). It should be noted that these companies' activity focuses on providing services to the mining sector, regardless of the material extracted, and therefore they are not the ones that own the exploited resources.

While a significant portion of these companies' business currently goes to customers who own coal mines, Thiess and Sedgman are leading a strategic transformation in the resources sector, diversifying their operations to support the global energy transition and contribute to emissions reductions. They are doing this primarily through initiatives to provide services for the extraction of critical materials, and secondly by promoting specific targets, levers and measures to decarbonise their services to mining companies.

As part of the resilience analysis, the ACS Group has been conducting an analysis of the opportunities arising from climate change and the transition. Many of them are already an important part of its business, while others are being developed as new markets. ACS's vision to 2030, shared at the Group's 2024 Capital Markets Day, is to be a world leader in the critical infrastructures of today and tomorrow. As reported in the 2023 Annual Report, these opportunities come both from the Group's traditional business in terms of the

need to build more resilient infrastructures and to renovate buildings to increase their energy efficiency, and from newer vectors related to digital infrastructure, energy, sustainable mobility and the critical minerals needed for the transition. Specifically, in 2024 the Group's sales from projects with sustainable certification or equivalent requirements amounted to EUR 14,628 million. In addition, of the ACS Group's portfolio of EUR 88,209 million in 2024, for example, 13% came from sustainable mobility infrastructures and 3% from energy-related infrastructures, among other segments. Integrating climate change risks and opportunities into the Group's Integrated Risk Management and Control System and its governance has ensured that the resilience analysis conducted has fed into its policies, strategies, actions and targets. It is particularly noteworthy that the analysis of the Group's position with regard to climate change is oriented towards its business model, both to drive growth in the markets it leads, and to transform or open up new markets. These markets include building and operating infrastructures for the energy transition; building and adapting climate change resilient infrastructures; renovating buildings to increase their energy efficiency; constructing buildings with sustainable certification; infrastructures for sustainable mobility; and mining raw materials for the energy transition.

In the short term, the ACS Group plans to continue to make progress on analysing the Group's resilience by better defining the physical risks in its supply chain, and by increasing the granularity and characterisation of transition risks. Furthermore, data collection and information processes will continue to be improved, to reduce the potential uncertainties associated with the resilience analysis.

1.3. Impact, Risk and Opportunity management

For more information on the process of identifying and assessing IROs, including the screening of assets and activities, the methodologies and assumptions used, as well as consultations with affected communities, see chapter ESRS 2.

However, it should be noted that the Double Materiality process carried out in 2024 for Climate Change was prepared considering the risk and opportunity analyses previously carried out by ACS for physical and transition risks in accordance with the recommendations of the Task Force on Climate-related Disclosures (TFCD) in 2022 and 2023, and the need to verify Does No Significant Harm (DNSH) status in accordance with the EU Taxonomy. These analyses are based on a methodology developed by the Group and are described in the following points. The risk and opportunity assessment management methodology is applied annually to the Group's new projects.

1.3.1. ESRS 2 - IRO 1 Description of the processes to identify and assess material climate-related Impacts, Risks and Opportunities

The ACS Group monitors its GHG emissions to analyse its impact on climate change and establish the levers and measures necessary to reduce its emissions footprint, as well as the risks and opportunities arising from the process of decarbonising its activities. Disclosure Requirement E1-6 provides detailed information on the ACS Group's Scope 1, 2 and 3 emissions.

The ACS Group approaches this activity as a process of continuous improvement, gathering information on greenhouse gases, to improve the coverage, accuracy and monitoring of the data and thus incorporate prevention and effective management of GHG emissions into all its activities.

To reduce the uncertainties arising from possible heterogeneities in the assessment of the Group's emissions footprint, in 2024 the Sustainability Department worked intensively on standardising the internal emission assessment protocols, analysing the different situations that arise in the various companies, regions and sectors in which the ACS Group operates. This has resulted in more robust calculations of the ACS Group's carbon footprint to more accurately track greater efficiencies and effectiveness in the implementation of the emission reduction levers and measures set out in the Climate Change Mitigation Transition Plan.

To determine and assess its climate-related impacts, risks and opportunities, the ACS Group has developed its own methodology based on the most advanced international standards, mainly the recommendations from the Intergovernmental Panel on Climate Change (IPCC) and the Task Force on Climate-related Disclosures (TFCD), as well as ISO14090 and ISO14091.

The risk analysis was carried out by an internal working group that has been formed with the participation of various divisions, subsidiaries and departments of the Group. The internal working group is led by the Group's Chief Risk Officer and Chief Sustainability Officer and has brought in sustainability, risk management and climate risk experts from across the organisation.

As far as physical risk is concerned, the methodology implemented allows for risk analysis at project or asset level. This implies that the risk components (i.e., climate variables or indicators, exposure, sensitivity and adaptive capacity) have been assessed at the geo-located coordinates of the project's location. Each project is characterised by its exposed elements (assets and operations) based on a set of project types representative of ACS's activity, as well as a set of economic-financial indicators. Each asset and operation is linked to the projected climate indicators for the relevant scenarios and time horizons, associating the climate indicators with the exposed element using sensitivity indicators. The integration of changes in climate, exposure and sensitivity indicators makes it possible to obtain the risk for each project before the measures are implemented. By analysing the risk reduction measures implemented, the risks after the measures are obtained by adding an adaptive capacity indicator. The climate indicators used are those from the list of acute and chronic climate-related hazards provided in the Classification Annex to European Commission Delegated Regulation (EU) 2021/2139, as relevant to ACS Group project locations, defined on the basis of their specific geospatial coordinates. The hazard assessment takes into account the likelihood, magnitude and duration of the hazards. In the assessment of consequences, the methodology can evaluate a set of economic and financial indicators linked to revenue or CapEx and OpEx. In 2023 this methodology was applied to some 81 significant projects and in 2024 to a further 56 significant new projects across the Group with budgets over EUR 200 million, with the primary focus on own operations.

The methodology is directly applicable to the identification of opportunities, both to improve the goods and services the Group offers to its customers and to increase the resilience of its assets, operations and value chain.

The analysis of transition risks has been done for own activities and also considering the upstream and downstream value chain. To this end, the risks have been assessed at activity and geographical level rather than on a project-by-project basis. This is primarily due to the systemic and sectoral characteristics of these risks as opposed to the physical risks that are declared locally.

This methodology was applied in 2022 and 2023 and was also used when performing the Double Materiality analysis in 2024, and for the physical risk assessment for the new projects in 2024.

The next steps in the methodology aim at increasing the granularity of the analysis of the transition risks and opportunities, and extending the physical risk analysis to other components of the value chain, especially the supply chain.

Following the TFCD Technical Supplement on "Use of Scenario Analysis in Disclosure of Climate-related Risks and Opportunities" and the ISO14091:2021 standard, the ACS Group has conducted a scenario-based analysis. As explained in section 1.2.2, the selection of scenarios and time horizons has been made to guarantee a scenario compatible with the Paris Agreement, without exceeding 1.5°C, as well as climate scenarios with high emissions and harmonising the time horizons of the ACS Group's activities and planning with those of the scenarios and the decarbonisation targets. The analysis is therefore considered to cover the plausible risks and uncertainties relevant to the Group and to be consistent with the climate-related baseline assumptions used to inform the Group's growth scenarios.

For the physical risks, scenarios SSP2-RCP4.5 and SSP5-RCP8.5 together with the high-resolution CORDEX information from AR5 were considered to assess historical and projected climate impact drivers for the historical (1986-2018), short-term (<5 years) or medium-term (<15 years) and long-term (until 2050) time horizons, considering the ACS Group's various types of activities and projects. SSP2-RCP4.5 has been chosen as representative of current trends, and SSP5-RCP8.5 as the worst-case scenario.

To assess transition risks, the International Energy Agency's Stated Policy Scenarios (STEPS) and Net Zero Emissions for 2050 (NZE) and the time horizons (2022-2035) and (2035-2050) have been used. A similar reasoning applies to this selection as for physical risks.

The range of scenarios and time horizons selected has allowed for an exhaustive analysis of the physical and transition risks that the ACS Group may be exposed to in the short, medium and long term.

By applying this methodology, it has been concluded that, in terms of physical risk, the Group has no net material risks in the short and medium term. This is because the gross material risks due to possible extreme weather-related events in some of the regions in which the Group operates are mitigated by specific measures implemented in all the projects that require it. These implemented measures include transferring risk to customers, specific insurance, contractual clauses covering climate risk, specific health and safety measures, using early warning systems and physical measures against climate impacts, many of which are spelled out in the contracts. In addition, during the ACS Group's decades of activity, it has demonstrated that it has always been able to develop and implement the necessary measures to deal with possible physical risks related to the climate, and that it has the technical capabilities to anticipate their potential consequences. The physical risk analysis carried out for the Group's activities in the various scenarios considered for the long term also leads to the conclusion that the company is equipped with the necessary adaptive capacity to cope with the possible evolution of hazards in the long term.

The analysis of transition risks and opportunities assessed the extent to which the Group's assets and activities may be exposed to the transition. In terms of risks, the analysis indicates some of the risks associated with policy and legislation, market or reputation that acquire different levels of intensity depending on the time horizons and scenarios. Nevertheless, the ACS Group currently has a variety of measures in place (decarbonisation plans with a broad array of levers and measures, an internal climate change mitigation plan, actions for rapid adaptation to new legislation or anticipation of changes in the market) that enable it to face the possible risks of transition with guarantees in all the scenarios and time horizons analysed. Furthermore, and as explained in detail under SBM3, the Group has identified major opportunities due to the transition that it is already integrating into its strategy and markets, having analysed the opportunities and associated growth up to the short and medium term horizon.

The climate scenarios used in the analysis of climate change risks and opportunities (including SSP2-RCP4.5 and SSP5-RCP8.5 for physical risks, and the International Energy Agency's STEPS and NZE scenarios for transition risks) have been selected for their sectoral relevance, external methodological support and ability to represent both intermediate and adverse trajectories. These scenarios have been applied in short (<5 years), medium (<15 years) and long (up to 2050) horizons, in a manner consistent with the ACS Group's types of activity. This temporal planning, together with the assumptions associated with the evolution of energy consumption, emerging technologies and changes in the energy mix and the resulting opportunities for new markets, has been designed to ensure proper alignment with the macroeconomic assumptions underlying the financial statements, such as revenue and margin growth. This ensures proper alignment between the climate scenarios used, the forward-looking resilience analyses and the Group's financial and strategic planning frameworks, in line with the TCFD’s recommendations.

1.3.2. E1-2 Policies related to climate change mitigation and adaptation

For the ACS Group, climate change is a fundamental and central aspect of the Group's sustainability strategy. Therefore, it continues to work to align its activities with the target of achieving zero emissions in the long term, as set out in the Paris Agreement, and to support customers through the projects the ACS Group performs, so they can successfully adapt to climate change.

This strategy is based on policies, plans and actions, the most important of which are the Group's General Sustainability Policy, its Environmental Policy, its General Risk Control and Management Policy, its Sustainable Procurement Policy and its Sustainability Master Plan. It is important to note that this strategy is also based on the policies of each of the ACS Group companies or on position papers and specific strategies developed by each of them.

These policies are developed in the MDR - P section in chapter ESRS - 2.

The ACS Group's main policies related to climate change are described below.

General Sustainability Policy

Relationship with Material IROs

The policy is directly related to minimising the Group's environmental impacts by integrating sustainability criteria into all its operations, prioritising the management and optimisation of the use of resources, and promoting the creation of long-term sustainable value.

It also introduces a commitment to sustainability due diligence to adopt the appropriate measures and implement internal frameworks and procedures to identify, assess, prioritise, prevent, mitigate and, where appropriate, remedy the actual or potential adverse environmental impacts that may arise from its operations, products and services.

Environmental policy

Relationship with Material IROs

The policy is directly related to the ACS Group's contribution to a low-carbon economy through the promotion of climate change mitigation and adaptation measures within the scope of its various business activities. In doing so, it lays out the following basic principles:

- Considering and assessing the climate change impacts of its activities, products, services and operations.
- Avoiding or minimising energy consumption and the emission of greenhouse gases generated by its activities.
- Establishing greenhouse gas emission reduction targets aligned with the latest recommendations and standards.
- Avoiding or minimising pollution generated by its activities, consisting of emissions into the atmosphere, noise and vibrations or light pollution.
- Establishing mechanisms to manage the use of energy and emissions, to targetly measure performance and favour decision-making.
- Identifying opportunities to promote environmentally-friendly products and services, adapted to the potential impacts of climate change and that contribute to the transition to a low-carbon economy.

It also introduces a commitment to sustainability due diligence to adopt the appropriate measures and implement internal frameworks and procedures to identify, assess, prioritise, prevent, mitigate and, where appropriate, remedy the actual or potential adverse environmental impacts that may arise from its operations, products and services.

General Risk Control and Management Policy

Relationship with Material IROs

The policy is directly related to the Group's management of Climate Change risks and its full integration into its Integrated Risk Management and Control System. To this end, the risks considered explicitly include:

- Environmental: Risks linked to potential environmental impacts, including climate change, which could cause harm to society, the environment and the Group's companies, loss of competitiveness, compensation and reparations or could halt works, services or projects in progress.

Sustainable Procurement Policy

Relationship with Material IROs

The policy is directly related to encouraging suppliers and subcontractors to adopt measures to combat climate change, through:

- Prioritising, where conditions are comparable and equivalent circumstances are present, procurement from significant suppliers and contractors that are able to demonstrate they meet concrete decarbonisation targets
- Working together with suppliers to help them innovate, with the target of finding technological solutions that will help decarbonise ACS's supply chain.
- Establishing training and awareness programmes for significant suppliers to improve their sustainability performance.

It also introduces a commitment to sustainability due diligence to adopt the appropriate measures and implement internal frameworks and procedures to identify, assess, prioritise, prevent, mitigate and, where appropriate, remedy the actual or potential adverse environmental impacts that may arise from its operations, products and services.

The ACS Group addresses climate change mitigation, mainly through its Environmental Policy, which is implemented through the Group's Sustainability Master Plan, its Transition Plan for Climate Change Mitigation, and the transition plans and decarbonisation initiatives of each of the companies comprising the Group. In this area, promoting energy efficiency in its activities or its contribution to the deployment of renewable energies are decisive levers. It is also relevant that the Group's Sustainable Procurement policy is a driving force to contribute to the decarbonisation of its supply chain.

ACS also significantly helps its customers and stakeholders with their own mitigation by leading essential sectors such as sustainable mobility, construction with sustainability certification, and mining of materials for the energy transition.

The ACS Group's policies also guide the Group's strategy to promote adaptation to climate change in two ways. On the one hand, through its General Risk Control and Management Policy, it ensures that its assets and operations are resilient to the effects of extreme weather and climate events through the implementation of adaptation and risk reduction measures in all its projects. On the other hand, it helps make the infrastructures and services it delivers to its customers more climate resilient during their lifecycle, making for a great business opportunity.

1.3.3. E1-3 Actions and resources in relation to climate change policies

The ACS Group has various actions and resources to manage the material IROs' identified throughout its value chain and in its own operations in relation to climate change.

Climate change mitigation - implementing the decarbonisation levers of the transition plan

Link with policies and targets	The Group's climate change mitigation is aligned with the targets and strategies detailed in its Environmental Policy. This action is linked to the targets set in the ACS Group's Sustainability Master Plan, which will be re-evaluated in 2025, and to the targets of the Climate Change Mitigation Transition Plan, as well as the individual transition plans of each of the companies.
Scope of the action	The entire value chain
Time horizon	This action is carried out on a recurring basis, as it is currently being implemented (short term) and is planned to continue to be implemented in the medium and long term to meet the medium and long term targets set for emission reductions.
Progress on the actions	In 2024 ACS Group achieved a 31.6% reduction in Scope 1 and 2 compared to the baseline year (2019) (excluding Thiess, as it was outside the scope of the plan)

Description of the action

One of the commitments defined in the Sustainability Master Plan, transferred to the Climate Change Mitigation Transition Plan and to the individual transition plans of each of the companies, is decarbonisation to achieve reductions compatible with the Paris Agreement and based on scientific knowledge.

To this end, this action is articulated in a set of sub-actions consisting of the various emission reduction levers, which in turn are subdivided into measures. The decarbonisation levers and measures applied in the ACS Group are as follows.

Scope 1 and Scope 2 emission reduction levers and measures

Lever	Name of the measure
Efficiency	Awareness-raising and training campaigns on energy reduction
	Increased efficiency through monitoring and implementation of measures in offices and on construction sites
	Offsite manufacturing to streamline construction processes
	Technological improvements to the energy efficiency of vehicles and equipment
	Improved operating efficiency of machinery and equipment
Fuel transition	Replacement of fossil fuels with renewables
	Switch to electric or hybrid-powered machinery and equipment
	Switch to hydrogen-powered or hybrid-powered machinery and equipment
	Replacement of fossil fuel-based heating/cooling equipment
Green energy	Generation of renewable energy (own use)
	Purchase of green energy

Levers and measures applicable to reducing scope 3 emissions

Lever	Name of the measure	Scope 3 subcategories according to the GHG Protocol
Improvements in design and planning	Promoting sustainable design during the planning phase - Embedded carbon	3.1
	Promoting sustainable design during the planning phase - Operational carbon	3.11
	Promoting the installation of renewable energy generation on-site for the use phase of the project	3.11
	Increasing Circular Design to reduce end-of-life emissions	3.12
Efficiency	Optimising construction processes through off-site manufacturing	3.1
	Optimising transport and the use of low-emission vehicles for transport to construction sites	3.4
	Efficient resource management and waste prevention	3.1 and 3.5
	Optimising business travel and more sustainable means of transport	3.6
	Optimising emissions from employee commutes	3.7

Lever	Name of the measure	Scope 3 subcategories according to the GHG Protocol
Low-carbon procurement	Strengthening sustainable procurement practices with subcontractors	3.1
	Recycled and low-carbon materials	3.1
	Materials of biological origin	3.1
	Low-carbon embedded equipment and vehicles	3.2
Investment	Decarbonisation of investments and assets	3.8, 3.13 and 3.15
Other	Reduction of Scope 3.3(1)	3.3

(1) Fuel combustion and energy use in purchased goods and services

Levers and general measures

Lever	Name of the measure
Decarbonisation training and awareness raising	Training and awareness-raising of own staff
	Training and awareness-raising of suppliers and other actors in the value chain

To implement these measures in each company, the following criteria have been established:

Key aspect	Description
Selection of reduction measures	Each company chooses the decarbonisation levers that best suit its processes and sector, such as energy efficiency, electrification, use of renewable energies, and waste management.
Adaptation to the local context	The companies can adjust their decarbonisation measures according to local legislation, the technology available, market conditions and customer preferences, allowing for the greatest flexibility and effectiveness in implementation
Management of resources and budget	Each company manages its own resources and budget to implement its decarbonisation plan, taking into account its financial and operational capabilities.
Responsibility for implementation	Even though it is aligned with the ACS Group's targets, each subsidiary is responsible for managing its own decarbonisation plan: monitoring, evaluating and adjusting its targets and actions independently.
Flexibility in approach and priorities	The subsidiaries can prioritise their decarbonisation actions according to their impact on its operations.

Risk and opportunity analysis

Link with policies and targets	The analysis of the risks and opportunities arising from climate change is aligned with the targets and strategies detailed in the Environmental Policy and, especially, in the General Risk Control and Management Policy. This action is linked to the targets of having a Group that is resilient to physical and transitional climate-related risks and seizing the opportunities for the Group's activities to make its value chain more resilient and improve the business.
Scope of the action	The entire value chain
Time horizon	Transition risks Transition risks are analysed on a recurrent basis by monitoring the various factors that have an impact on them. Physical risk This action is carried out on a recurring basis, as a physical climate risk analysis is conducted annually on the Group's new activities for the short, medium, long and very long term.
Progress on the actions	In 2022 and 2023, ACS made its first transition risk analyses, which have subsequently been reassessed in 2024. Due to its characteristics, the transition risk analysis has so far been done at the level of the Group's activities and on a global basis. In 2023, the ACS Group prepared its first physical climate risk analysis including 81 projects in over 20 countries. In 2024, 56 new projects in the Group's backlog were analysed.

Description of the action

Physical risks

The ACS Group has developed an internal capability to assess the physical risks of climate change at the project or asset level using the best available international standards and information. This methodology is also applied to determine substantial contributions to adaptation, to analyse the Do No Significant Harm (DNSH) criterion established by the EU Taxonomy for adaptation, or to develop adaptation plans, if necessary.

The application of the methodology for various emission scenarios and time horizons makes it possible to assess the climate risks related to the Group's activities, identifying these risks' origin by structuring them into modules, over the lifetime of each of the Group's various geospatially located activities. This methodology also provides the ACS Group the capacity to analyse risks for its customers throughout the useful life of their projects, generating opportunities to improve the resilience of the project during design or

by implementing risk reduction or adaptation measures during its useful life, through which it can generate significant benefits for its customers.

The ACS Group wants to continue to develop these capabilities to provide better service for its customers, increase its market share and project portfolio thanks to its level of specialisation in resilient infrastructures, and contribute to reducing society's climate change adaptation gap.

Transition risks

The scenario-based analysis of transition risks and opportunities for various time horizons has been carried out since 2022 due to their potential impact on the Group, and has served to identify potential risks and opportunities, as well as the measures and strategies already in place to reduce and take advantage of them. The work carried out has shown that ACS is well placed to take advantage of new opportunities and to implement solutions, such as its Climate Change Mitigation Transition Plan, that will contribute to reducing the associated risks.

Looking ahead, in addition to continuing to monitor the factors that induce these risks in detail, the plan is to update the analysis to improve its granularity and coverage.

Among the opportunities, the ACS Group intends to reinforce its leadership in energy transition, sustainable mobility, mining of materials for the energy transition, and infrastructures with sustainable certification, as well as in digitalisation as an essential lever for achieving the transition targets.

Climate change adaptation

Link with policies and targets	The Group's climate change adaptation is aligned with the targets and strategies detailed in its Environmental Policy. This action is linked to the targets of having a Group that is resilient to physical climate-related risks and seizing the opportunities for the Group's activities to make its value chain more resilient.
Scope of the action	The entire value chain
Time horizon	This action is carried out on a recurrent basis
Progress on the actions	In 2023, the ACS Group carried out its first standardised analysis of the state of adaptation or adaptive capacity of its activities, in addition to assessing its activities that substantially contribute to adaptation. This activity was continued in 2024.

Description of the action:

In 2023 and 2024, the ACS Group identified the adaptation, risk reduction or adaptive capacity building measures that it has been systematically applying in its activities, to ensure that its projects are resilient to climate impacts. These measures include transferring risk to customers, specific insurance, contractual clauses covering climate risk, specific health and safety measures, using early warning systems and physical measures against climate impacts. The preparation of the ACS Group's tenders and budgets already includes the necessary measures to prevent climate-related contingencies from causing material impacts for the project. These best practices are shared throughout the Group and their possible evolution is analysed under various emissions scenarios and time horizons to improve the Group's capacity to adapt, which has allowed ACS to be a group that is highly resilient to physical climate risks.

Furthermore, in locations where historical information and projections show a potential impact of extreme weather events, consideration is given to how to make the solutions delivered to customers more climate resilient.

Due to the intensification and increased frequency of climate events, the Group continues to work to ensure that its ability to boost resilience to climate change can be extended throughout its value chain, further increasing its own resilience and generating more opportunities.

Mitigating climate change by boosting the transition from services for coal mining to low-carbon alternatives

Link with policies and targets	The Group's climate change mitigation is aligned with the targets and strategies detailed in its Environmental Policy. This action is linked to the targets set in the ACS Group's Sustainability Master Plan, and to the targets of the Initial Climate Change Mitigation Transition Plan, as well as the individual transition plans of each of the companies.
Scope of the action	Own activities
Time horizon	This action is carried out on a recurring basis, as it is currently being implemented (short term) and is planned to continue to be implemented in the medium term to meet the targets set for 2030.
Progress on the actions	Thiess' share of revenues from thermal coal fell to 33% by the end of 2023 and to 29% by the end of 2024.

Description of the action

Thiess and Sedgman are the two ACS Group companies active in the mining sector. While Thiess covers services for mineral extraction, asset management and environmental restoration, Sedgman focuses mainly on mineral processing services. Both companies are leading a strategic transformation in the resources sector, diversifying their operations to support the global energy transition and contribute to emissions reductions.

On top of this, Thiess continues to implement the transition in its business model, significantly increasing the diversification in the raw materials of its mining services. In fact, Thiess has committed to rebalancing its thermal coal portfolio to a maximum of 25% of revenues by the end of 2027 and less than 20% by the end of 2030, and continues to make progress towards these targets. Thiess' share of revenues from thermal coal fell to 33% by the end of 2023 and to 29% by the end of 2024.

To this end, in 2024, Thiess expanded its critical minerals portfolio through the acquisition of PYBAR, which specialises in underground metal mining, and secured key contracts in nickel, copper, gold and iron ore projects in Canada, Mongolia and Australia. These initiatives strengthen its commitment to more sustainable mining, aligned with the growing demand for essential materials for electrification and clean technologies.

In line with the ACS Group's commitment to contributing to a transition to low carbon, Sedgman is working on projects that enable sustainability by producing high purity elements that contribute to battery longevity and searching for energy and carbon reduction alternatives such as green hydrogen and carbon capture.

To this end, in 2024 Sedgman evolved into a global provider of the critical mineral processing services essential to battery manufacturing and renewable energy. With strategic acquisitions in hydrometallurgy and pyrometallurgy, the company covers the entire value chain in minerals such as lithium, cobalt, vanadium and rare earths. In addition, the opening of its European headquarters in Germany and its role in the critical minerals processing facility in Queensland have reinforced its leadership in the industry.

These actions are not just diversifying the Group's mining operations, but are also supporting the transition to a low-carbon economy by providing critical materials for clean energy and electric mobility, and they contribute indirectly to emissions reductions.

In addition, Thiess has specific targets, levers and measures to decarbonise its services for mining companies.

1.3.4. Metrics and Targets

1.3.5. E1-4 Targets related to climate change mitigation and adaptation

To measure the effectiveness of the actions described above and to monitor them adequately, ACS has set various climate change targets in its Sustainability Master Plan and its Climate Change Mitigation Transition Plan.

These targets have been defined in accordance with the ACS Group's internal policies, reflecting its commitment to sustainability and responsible management of resources within the framework of this topic, taking 2019 as a reference year. Furthermore, these greenhouse gas reduction targets are based on climate scenarios and have a scientific basis based on IPCC reports. The base year 2019 was selected due to the COVID pandemic, as the ACS Group's business was not affected by significant external factors in that year, making it a good baseline year.

As the Sustainability Master Plan runs until 2025, its actions, resources and targets are expected to be updated over the next year to respond directly to the material IROs.

The targets set by the ACS Group in terms of long-term climate change mitigation go beyond the requirements marked by the Paris Agreement, as it advances toward its target of achieving net zero emissions by 2045, reflecting the organisation's firm commitment to sustainability. The ACS Group has also set targets that aim to help reduce emissions in its value chain, especially for its customers, for example, by setting ambitious targets for sales of sustainably certified infrastructures.

It should be noted that the methods applied to set the targets and promote stakeholder engagement are detailed in general information chapter ESRS 2. The targets are based on criteria set by science. The priority targets in relation to climate change are:

Achieve net zero emissions by 2045

Link to policies	This target is related to the Environmental Policy and the General Sustainability Policy established by the ACS Group and is specified in the Sustainability Master Plan
Target level to be achieved	The target is absolute, as it calls for the Group to have net zero emissions by 2045, and it includes all Scope 1, 2 and 3 emissions.
Scope	The target is defined on a consolidated basis for the entire ACS Group (excluding Thiess due to its recent entry into the scope of consolidation) and the link in the value chain affected is Own and External Operations as it includes Scope 3 emissions.
Period for the target	The target is until 2045 (long term).
Type and hierarchy	The target is related to reducing the emissions generated by the ACS Group's business model.

Achieve intermediate Scope 1 and 2 emission reductions by 2025

Link to policies	This target is related to the Environmental Policy and the General Sustainability Policy established by the ACS Group and is specified in the Sustainability Master Plan and in the specific plans of each of the Group's companies.
Target level to be achieved	The target is relative, as it calls for a reduction of Scope 1 and 2 emissions compared to the base year 2019. ACS Group (Scope 1: at least 15%; Scope 2: at least 30%). Hochtief (Scope 1: 20%, Scope 2: 35%)
Scope	The target is defined on a consolidated basis for the entire ACS Group (excluding Thiess due to its recent entry into the scope of consolidation) and the link in the value chain affected is Own and External Operations as it refers exclusively to Scope 1 and 2 emissions. However, there are slight differences between the targets set for each company.
Baseline value and year	The baseline year is 2019
Performance	The target is monitored annually in terms of its base year. In 2024, total Scope 1 and 2 emissions were reduced by 31.6% compared to the base year.
Type and hierarchy	The target is related to reducing the emissions generated by the ACS Group's business model.

Achieve intermediate Scope 1, 2 and 3 emission reductions by 2030

Link to policies	This target is related to the Environmental Policy and the General Sustainability Policy established by the ACS Group and is specified in the Sustainability Master Plan and in the specific plans of each of the Group's companies.
Target level to be achieved	The target is relative, as it calls for a reduction of Scope 1, 2 and 3 emissions compared to the base year 2019. ACS Group (Scope 1: at least 35%; Scope 2: at least 60%). Hochtief (Scope 1 and 2: 50%, Scope 3: 27.5%)
Scope	The target is defined on a consolidated basis for the entire ACS Group (excluding Thiess due to its recent entry into the scope of consolidation) and the link in the value chain affected is Own and External Operations as it refers to Scope 1, 2 and 3 emissions. However, there are slight differences between the targets set for each company.
Baseline value and year	The baseline year is 2019
Period for the target	The target is in the medium term (2030). A yearly comparison is drawn. Since the Sustainability Master Plan will be updated in 2025, this target will be revised for the Group, including a new intermediate target for Scope 3.
Performance	The target is monitored annually in terms of its base year. In 2024, the total emissions without Thiess were 7,450,762.11 tonnes CO2 eq.
Type and hierarchy	The target is related to reducing the emissions generated by the ACS Group's business model.

Achieve 45% of Infrastructure sales in sustainably certified projects by 2025 or equivalent requirements

Link to policies	This target is related to the Environmental Policy and the General Sustainability Policy established by the ACS Group and is specified in the Sustainability Master Plan
Target level to be achieved	The target is relative, as it is to reach 45% of infrastructure sales in sustainably certified projects by 2025.
Scope	The target is defined on a consolidated basis for the entire ACS Group (excluding Thiess due to its recent entry into the scope of consolidation) and the link in the value chain affected is Own Operations.
Baseline value and year	The benchmark year is 2019, with 34.38% sales of sustainably certified projects.
Performance	The target is monitored annually in terms of its base year. In 2024, 40.3% of the infrastructure sales were in sustainably certified projects or equivalent requirement.
Type and hierarchy	The target is related to reducing the emissions generated by the ACS Group's business model.

1.3.6. E1-5 Energy consumption and mix

Energy Consumption (MWh) (1)(2)(3)	2023	2024
Total fossil energy consumption	**1,846,634**	**1,595,453**
Share of fossil sources in total energy consumption (%)	93.1%	88.5%
Consumption from nuclear sources	**39,528**	**59,282**
Share of consumption from nuclear sources in total energy consumption (%)	2.0%	3.3%
Total renewable energy consumption	**97,314**	**148,425**
Share of renewable sources in total energy consumption (%)	4.9%	8.2%
TOTAL	**1,983,476**	**1,803,160**

(1) In 2024, starting from May, data from Thiess is included following its transition to full consolidation.
(2) Since this is the first reporting year under ESRS, it has been decided not to restate the 2023 data to maintain continuity with previous years. However, the 2024 data is calculated in accordance with ESRS criteria and the consolidation of Thiess.
(3) Due to the strict compliance with DP AR 32 j) of ESRS-1, the renewable energy consumption from the energy mix has been included under the section "From fossil sources" (Renewable energy from the mix – 2023: 12,961.80; 2024: 69,861.83).

Renewable consumption breakdown (MWh) (1)(2)(3)	2023	2024
Fuel consumption for renewable sources	26,214	80,367
Renewable energy consumption	49,265	57,541
Consumption of self-generated renewable energy	21,835	10,313
TOTAL	**97,314**	**148,222**

(1) In 2024, starting from May, data from Thiess is included following its transition to full consolidation.
(2) Since this is the first reporting year under ESRS, it has been decided not to restate the 2023 data to maintain continuity with previous years. However, the 2024 data is calculated in accordance with ESRS criteria and the consolidation of Thiess.
(3) Due to the strict compliance with DP AR 32 j) of ESRS-1, the renewable energy consumption from the energy mix has been included under the section "From fossil sources" (Renewable energy from the mix – 2023: 12,961.80; 2024: 69,861.83).

The information is only for processes owned or controlled by the ACS Group and applies to the same perimeter as was used for reporting scope 1 and 2 GHG emissions.

Of the renewable consumption, 38.82% is certified and 7.10% comes from self-generation. In addition, 54.22% comes from consumption of biofuels. The nuclear energy consumption is based on the mix.

The 2023 data only include 50% of Thiess. In 2024, Thiess was 100% consolidated into the ACS Group.

Fossil energy consumption breakdown for high climate impact sector (MWh) (1)	2023	2024
Construction Sector		
Coal and coal products	–	–
Crude oil and petroleum products	1,355,479	953,535
Natural gas	89,956	82,649
Other fossil sources	18,915	14,438
Purchased or acquired electricity, heat, steam, and cooling from fossil sources	180,679	172,265
Energy intensity (Consumption/ mn € revenue)	**50**	**31**
Total Construction	**1,645,028**	**1,222,888**
Mining sector		
Coal and coal products	n.d.	–
Crude oil and petroleum products	n.d.	7,572
Natural gas	n.d.	–
Other fossil sources	n.d.	–
Purchased or acquired electricity, heat, steam, and cooling from fossil sources	n.d.	–
Energy intensity (Consumption/ mn € revenue)	**n.d.**	**2**
Total Mining	**n.d.**	**7,572**
TOTAL	**n.d.**	**1,230,460**

(1) Since this is the first reporting year under ESRS, it has been decided not to restate the 2023 data to maintain continuity with previous years. However, the 2024 data is calculated in accordance with ESRS criteria and the consolidation of Thiess.

Some of the ACS Group's activities are included in Sections A to H and Section L of the NACE classification, considered as high-climate impact sectors (as defined in Regulation (EU) 2019/2088 and Annex 1 of its Delegated Regulation). Therefore, the table above includes construction and mining activities as a basis for calculating total energy consumption and energy intensity. The data on the ACS Group's revenues have been taken from its 2024 consolidated earnings statement.

Renewable energy consumption (MWh)	2024
Total ACS Group	**958,206**

Dragados' renewable electricity production is higher, as it is currently reporting self-consumed energy and energy fed into the grid with financial compensation. The generated electricity fed into the grid without economic compensation has not been reported because the data are not available.

More specifically, Dragados' Industrial Services Division has 5 assets that generate renewable energy for their respective customers, in addition to a plant that compresses gas, which leads to a significant volume of avoided emissions. To quantify this, a methodology was used that, except for the Ca-KUA 1 installation, is based on the energy generated and fed into the national grid for transport and distribution, multiplied by an Emission Factor from different sources. The emission factors come from the non-renewable technologies of each country or state, as these are the technologies that will be replaced by the use of renewable energies. If this information is not available, information from the national mix is used.

The details of avoided emissions are shown in the table below:

Plant	Technology	Location	MWh	Emission Factor (tCO2e/ MWh)	Emissions avoided (E.EM.020)
Tonopah Solar Energy, LLC	Thermosolar	USA - Nevada	153,550	0.6380	97,903
CA-KUA1 Gas Compression Services	Gas Compression System	Mexico	—	—	4,556,110
Energía Renovable de la Península	Wind Energy	Mexico	253,881	0.4380	111,200
Energías Ambientales de Oaxaca	Wind Energy	Mexico	203,287	0.4380	89,040
Manchasol 1 Solar Thermosolar Plant	Thermosolar	Spain	87,564	0.4255	37,259
Kincardine Offshore Windfarm Limited	Wind Energy - Offshore	Scotland	162,617	0.4240	68,950

1.3.7. E1-6 Gross Scopes 1, 2, 3 and Total GHG emission

Net Revenue	2024
Net revenue from activities in high climate impact sectors used to calculate energy intensity	41,633
Net revenue (other)	41,633
Total net revenue (Financial statements)	41,633

Emissions (tCO2eq) (1)(2)	2023	2024
Scope 1	**328,865**	**327,087**
Scope 1 emissions intensity (tCO2eq/mn € revenue)	9.2	7.9
Scope 2 - location based	**151,266**	**122,333**
Scope 2 emissions intensity (tCO2eq/mn € revenue)	4.2	2.9
Scope 2 - market based	**144,220**	**106,834**
Scope 2 emissions intensity (tCO2eq/mn € revenue)	4.0	2.6
Scope 3	**7,681,059**	**8,416,420**
3.1. Purchased goods and services	4,415,033	3,703,527
3.2.Capital goods	114,513	138,975
3.3.Fuel and energy-related Activities	98,060	98,670
3.4. Upstream transportation and distribution	182,276	144,824
3.5. Waste generated in operations	37,413	38,876
3.6. Business travelng	85,019	62,523
3.7. Employee commuting	138,261	193,678
3.8. Upstream leased assets	343,367	344,095
3.11. Use of sold products	2,063,299	1,985,219
3.12. End-of-life treatment of sold products	25,851	21,327
3.13. Downstream leased assets	4,601	12,686
3.15. Investments	173,366.5	1,672,020.4
Scope 3 emissions intensity (tCO2eq/mn € revenue)	214.9	202.2
TOTAL location-based	**8,161,190**	**8,865,840**
Total GHG location-based emissions intensity (tCO2eq/mn € revenue)	228.4	213.0
TOTAL market-based	**8,154,144**	**8,850,342**
Total GHG market-based emissions intensity (tCO2eq/mn € revenue)	228.2	212.6

(1) The 2023 Scope 1 and 2 data have been reported following the 2024 calculation methodology. For Scope 3, in 2024, an adjustment has been made in category 3.1 emissions by incorporating emissions that were previously classified under the "Other" category of Scope 3. Additionally, in accordance with FAQ 7VC IG, Scope 3 emissions from associated investments, which in 2023 mainly included Thiess and Abertis, have been excluded from category 3.15.
(2) In 2024, starting from May, data from Thiess is included following its transition to full consolidation.
(3) In category 3.15, Abertis' Scope 2 emissions have been included using the location-based method.

The ACS Group's activities do not include: downstream transport and distribution; or processing and use of products sold. In addition, the ACS Group also has no assets leased downstream to third parties, no franchises, and no upstream assets leased to third parties whose emissions are not included in Scope 1 or 2, if applicable.

Emissions breakdown by business segments (tCO2eq) (1)	2024
TOTAL location-based	**8,865,840**
Integrated Solutions	5,835,029
E&C	2,308,502
Infra	1,759
Corporation & Others	720,551
TOTAL market-based	**8,840,702**
Integrated Solutions	5,811,093
E&C	2,317,060
Infra	1,525
Corporation & Others (2)	711,024

(1) In 2024, starting from May, data from Thiess is included following its transition to full consolidation.
(2) Category 3.15, Abertis' Scope 2 emissions have been included using the market-based method.

GHG intensity per net revenue (tCO2eq/ mn € revenue) (1)(2)	2023	2024
Total GHG emissions (location-based) per net revenue (tCO2eq/ mn € revenue)	228.4	213.0
Total GHG emissions (market-based) per net revenue (tCO2eq/ mn € revenue)	228.2	212.6

(1) In 2024, starting from May, data from Thiess is included following its transition to full consolidation.
(2) Since this is the first reporting year under ESRS, it has been decided not to restate the 2023 data to maintain continuity with previous years. However, the 2024 data is calculated in accordance with ESRS criteria and the consolidation of Thiess.

Scope 1 GHG emissions

Scope 1 emissions are calculated by recording and consolidating all the material fuel (diesel/biodiesel, gasoline/biogasoline, LPG, LNG and natural gas) that is consumed under the operational control of the ACS Group, and by calculating the GHG emissions by applying emission factors from official databases provided mainly by Defra.

Scope 2 GHG emissions (location-based)

Location-based Scope 2 emissions are calculated by recording and consolidating all of the purchased energy (electricity, district heating and cooling) that is consumed under the operational control of the ACS Group, and by calculating the GHG emissions by applying emission factors from official databases provided mainly by the IEA.

Scope 2 GHG emissions (market based)

Market-based Scope 2 emissions are calculated by recording and consolidating, at Group level, all of the purchased energy (electricity, district heating and cooling) that is consumed under the operational control of the ACS Group. The emissions are calculated using the hierarchy of available emission factors, in the following order of relevance: 1. Market/supplier specific: with market/supplier specific emission factors. These factors are used to calculate the market-based Scope 2 emissions. 2. Residual mix emission factors: If the companies do not have market/supplier specific emission factors, the emission factors of the residual mix, which are also included in the central database, are used. In the absence of Levels 1 and 2, location-based calculation is used as Level 3.

Scope 3 GHG emissions

The Scope 3 GHC emissions are calculated for categories that are material to the ACS Group.

3.1 Purchased goods and services; 3.2 Capital goods; 3.3 Fuel and energy activities; 3.4 Upstream transport and distribution; 3.5 Waste generated in operations; 3.6 Business travel; 3.7 Employee travel; 3.8 assets leased upstream; 3.11 Use of products sold; and 3.12 End-of-life treatment of products sold; 3.13 Assets leased downstream; 3.15 Investments. Categories 3.9, 3.10 and 3.14 are not considered relevant to the Group's business activities.

The ACS Group's target is to maintain and continuously improve the data in terms of completeness, reliability and therefore also quality. To this end, the Group is working, for example, on harmonising the individual companies' methodologies and conversion factors, improving measurement accuracy, and increasing the use of project-based consumption data collection. For this purpose, among others, a defined quality hierarchy for data collection processes is followed.

- **Primary data:** The primary data source, and therefore the data collection basis with the highest priority in the ACS Group, is direct measurement (where applicable at the site/project). Examples include IoT-enabled meters to record, for example, concrete consumption in projects.
- **Secondary data:** Calculations based on existing information or databases, such as turnover or industry-specific standards and statistics. This is the second level of priority when no primary data is available.
- **Estimated data:** Calculations using industry or science-based estimation methods. These may include extrapolations based on industry-specific empirical values or estimates using scientific methodologies. Estimates are used when neither primary nor secondary data are available.

The procedure followed for each category is explained below.

Scope 3	
3.1. Goods and services purchased	This category includes emissions from construction materials and subcontractor services. The quantities of building materials used (asphalt, concrete, glass, timber, steel, cement and aggregates) are recorded and consolidated in a database, and the GHG emissions are calculated by applying emission factors (provided mainly by Defra and from an internal database of emission factors). For even more detailed monitoring of the GHG emissions from concrete and steel, product-specific emission factors can be entered into the database for use in Scope 3.1 calculations instead of the overall emission factor. Emissions from subcontractor works and services are assumed to be equivalent to Scope 1 and Scope 2 emissions.
3.2. Capital goods	This category is used for all the upstream emissions arising from the production of capital goods purchased during the reporting year. The emissions have been calculated at Group level using an expenditure-based emission factor (US EPA).
3.3. Activities related to fuel and energy consumption	Fuel and energy related emissions are determined from the recorded energy consumption and emission factors (mainly from data from Defra and the IEA).
3.4. Transport and distribution (upstream)	Emissions from the transport of goods purchased during the reporting year are calculated on the basis of the quantities of materials recorded (asphalt, concrete, glass, wood, steel, cement and aggregates). The emissions from transport (according to Defra) to construction sites were calculated at Group level for each construction material, as estimated by the procurement departments and operating units, and based on the average transport distances and means of transport used.
3.5. Waste generated from operations	Emissions from the disposal of hazardous and non-hazardous waste are calculated on the basis of the amount of waste and an emission factor from an internal emission factor database.

Scope 3	
3.6. Business trips	This category comprises emissions from business travel during the reporting year. These emissions are subdivided into three main types of travel: air, rental car and rail. The emissions are calculated by recording the kilometres travelled in a database and then multiplying them by the emission factors (mainly from Defra). For greater precision, a distinction is also made between short-haul, medium-haul and long-haul flights.
3.7. Commutes	This category includes emissions from employee commutes. Emissions from employee commuting are recorded for each region and estimated based on the regional mobility patterns and average commuting distances (e.g., from national databases). The impact of remote working is also taken into account by estimating the number of days worked from home. The number of employees is recorded centrally.
3.8 Assets leased upstream	Emissions from assets leased by the company that are not included in scopes 1 and 2.
3.11. Use of the products sold	This category includes emissions generated by end-users during the operation phase, mainly from buildings constructed by the Group. The emissions are calculated from the annual construction sales to determine the total surface area of buildings constructed in the reporting year. The energy consumption per square metre is used to calculate the amount of energy required over a building lifetime of 60 years. Multiplying this amount of energy by the continuously decreasing grid emission factor gives the emissions from the operating phase. These emissions are disclosed for the reporting year.
3.12. Final disposal of products sold	This category covers emissions from the future end-of-life treatment of projects built by the Group. Since all the components of the constructed buildings must eventually be reincorporated into the material cycle, all the materials used during the year are subject to emission factors (Defra) that include the specific disassembly processes for each material. The proportion of materials recycled or reused is assumed to increase at the expense of waste dumped at landfills.
3.13. Assets leased downstream	Emissions from assets that the company leases to third parties and that are not included in scopes 1 and 2.
3.15. Investments	This category includes topics arising from capital expenditures. This category also covers all the activities of companies that the Group does not have operational control over

1.3.8. E1-7 GHG removals and GHG mitigation projects financed through carbon credits

The ACS Group is aware of the need for GHG emission absorption projects if the levers and measures for reducing emissions are not sufficient to achieve the target of zero net emissions.

To this end, the Group is working in three directions. On the one hand, it is working on capturing emissions using natural methods centred on reforestation or restoration, taking advantage of the natural capacity of some ecosystems to store CO_2. In this case, the Group has a limited number of its own projects executed by Dragados based on tree planting that are certified by the Ministry for Ecological Transition. However, most of the effort the Group dedicates to this type of activity is done for customers, which requires a contractual agreement for it to be carried out. The Group is therefore actively working with its customers to create the necessary awareness to anticipate the potential opportunities that this technique will offer for absorbing emissions before carrying out the project.

The second direction is based on taking advantage of the opportunities offered by certain building materials to capture and store carbon. A specific case is that of concrete which, during the curing process, absorbs CO_2 through a process called carbonation, storing it throughout the lifetime of the built infrastructure. This naturally occurring process can be enhanced by directly injecting and storing CO_2 in the concrete. A similar process takes place with the use of wood and other biological materials in construction that absorb and store CO_2 during their growth. These aspects, as well as the construction of vegetation in buildings, are ideas that the Group promotes with its customers to absorb as much CO_2 as possible.

Lastly, to ensure compliance with the target of achieving zero net emissions, the ACS Group is exploring various carbon capture technologies and their possible application if the reduction measures are insufficient in certain emissions scenarios.

In 2024 Dragados carried out two CO_2 absorption projects through the repopulation of two forests as carbon sinks and its own reforestation project in peninsular Spain, which in total amounted to 587.78 t CO_2 equiv. To estimate the tonnes of CO_2 equivalent absorbed in peninsular Spain, conversion factors per hectare were used for a biome similar to the one found on the reforestation site.

1.3.9. E1-8 Internal carbon pricing system

Aware of the importance that setting an Internal Carbon Price may have in its decarbonisation process (although this has not been implemented yet), the ACS Group made significant progress in this regard in 2024. First, it conducted a detailed internal analysis of the various methodologies and best practices for setting this price, to properly address how to set its target, type and various dimensions, in accordance with the Group's needs and its complementarity with other ongoing measures. One of the important conclusions of this analysis was the need to launch several pilot projects to refine its implementation throughout the Group.

The first pilot project was designed by Hochtief and is currently in the testing phase. The main target considered was to create an effective system that will help reduce carbon emissions at all stages of the project, while maintaining its cost-effectiveness. Experience to date has shown that incorporating an internal carbon price into the subcontracting award process is a useful approach. The early successes in considering carbon footprint as part process of awarding subcontracts make working further in this direction advisable. In addition, this will help the Group's subcontractors develop and implement innovative and low-emission solutions.