2. ESRS E-2. Pollution

As part of its commitment to sustainability, the ACS Group integrates pollution management and reduction as key elements in its management model. The ACS Group prioritises the implementation of measures that minimise the polluting emissions and discharges generated in its activities, ensuring regulatory compliance and promoting practices that contribute to improving environmental quality in the settings in which it operates.

The fight against pollution has been positioned as an essential strategy to guarantee the long-term sustainability of the infrastructures and services offered by the ACS Group. This approach reduces negative impacts on ecosystems, protects the health of communities, and generates added value throughout the value chain. It also reinforces the ACS Group's capacity to respond to stakeholder expectations, strengthen its competitiveness, and anticipate the growing environmental and regulatory challenges of the current context.

2.1. Impact, Risk and Opportunity management

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

All the information concerning IRO-1 related to this topic is provided in section IRO-1 of chapter ESRS-2.

2.1.2. E2-1 Policies related to pollution

The ACS Group has an Environmental Policy aimed at managing and reducing pollution in its activities. This policy lays out and reinforces the fundamental commitments that the ACS Group has taken on in its Sustainability Policy, consolidating its focus on minimising environmental impacts and promoting responsible practices. The main target of these policies is to avoid accidents that may affect the environment and people and, if they cannot be avoided, to control and mitigate the impacts they may cause.

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

General Sustainability Policy

Relationship with Material IROs

The policy is directly related to minimising environmental impacts by integrating sustainability criteria into all the Group's operations. By streamlining the resources used in construction and mining processes, pollution to the environment is minimised, driving long-term sustainable value creation.

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 the ACS Group's activities and those of the value chain.

Pollutants or substances referred to in the policy

The policy adopts a comprehensive approach without explicitly referring to specific compounds or substances. Its purpose is to convey the importance of respecting and protecting the environment and stakeholders through a strategy based on high environmental standards. This strategy is grounded on

preventing, reducing and remedying the material impacts generated by any type of polluting substance, covering all environmental vectors, whether air, water or soil.

This Policy acts as the backbone for the ACS Group's sustainability policies. Likewise, the various companies in the Group adhere to it and adapt it to the particularities of their respective business models, to integrate it into their operations effectively.

Environmental policy

Relationship with Material IROs

The policy is directly related to minimising the impacts of air and soil pollution by promoting:

- Prevention or minimisation of pollution generated by its activities, specifically with regard to accidental emissions or discharges to land.
- Implementation of mechanisms to manage the use of energy and emissions, in a way that allows for measuring performance and fosters decision-making.
- Give priority to operating models to reduce resource consumption and waste generation, in terms of both quantity and hazardousness.
- Use of environmentally responsible materials in construction and mining activities, avoiding adverse impacts on human health and the environment.

Pollutants or substances referred to in the policy

The policy adopts a comprehensive approach without explicitly referring to specific compounds or substances. Its purpose is to convey the importance of respecting and protecting the environment and stakeholders through a strategy based on high environmental standards. This strategy is grounded on preventing, reducing and remedying the impacts generated by any type of polluting substance, covering all environmental vectors, whether air, water or soil.

2.1.3. E2-2 Actions and resources related to pollution

ACS has various actions and resources to manage the impacts, both positive and negative, current and potential, and the material opportunities identified in its activity. The key initiatives rolled out to address these impacts and opportunities include:

Reducing fuel consumption and air pollutant emissions by using modern, efficient and low- or zero-emission equipment, vehicles and construction methods.

Link with policies and targets	Reducing fuel consumption and polluting emissions into the atmosphere by means of equipment, vehicles and construction methods with low or zero emissions is aligned with the targets and strategies set out in the ACS Group's Environmental Policy and its General Sustainability Policy. This action is linked to the targets set in the ACS Group's Sustainability Master Plan, which has a short-term time horizon, as it will be re-evaluated in 2025.
Scope of the action	Own operations
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.
Progress on the actions	In 2024, Scope 1 emissions, excluding Thiess, were reduced by 32.77% compared to 2019.

Description of the action

In the ACS Group's strategy to reduce fossil fuel consumption and polluting emissions, one of the fundamental pillars of action is the renewal of the fleet of vehicles and machinery, promoting the use of more efficient and less polluting vehicles and machinery. Moreover, work is being carried out on innovation projects to monitor reductions by minimising transport distances and waiting times.

Additionally, through the application of digitalisation projects such as Building Modelling Information (BIM), a collaborative work methodology based on 3D models that provides all the actors involved in construction with the vision and tools to carry out each phase in the most efficient way, construction processes are optimised and the efficiency in the use of machinery is improved. Furthermore, especially at the project design stage, the Group's companies use innovative construction methods such as using prefabricated components for more efficient assembly and reduced fuel consumption. At the same time, the Group partners with its stakeholders, mainly manufacturers and suppliers, to incorporate lower-emission machines and materials into its own activities and thus into the value chain.

Use of electricity from renewable energy sources to reduce and avoid fossil fuel energy consumption.

Link with policies and targets	Using electricity from renewable energy sources, with the aim of reducing and eliminating the consumption of fossil fuels, is aligned with the targets and strategies set out in the Environmental Policy. This action is linked to the targets set in the ACS Group's Sustainability Master Plan, which has a short-term time horizon, as it will be re-evaluated in 2025.
Scope of the action	The entire value chain. ACS promotes the electrification of all its projects, as well as the construction of more sustainable projects involving all the stakeholders in the 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.
Progress on the actions	In 2024, Scope 1 emissions, excluding Thiess, were reduced by 32.77% compared to 2019.

Description of the action

The reduction of energy consumption from fossil fuels and the transition to renewable energies not only contribute to the reduction of Greenhouse Gas (GHG) emissions, but also have a significant impact on the reduction of air pollutants.

The combustion of petrol, diesel and natural gas used in the operation of machinery and other processes generates emissions of compounds such as sulphur oxides (SOx), nitrogen oxides (NOx) and particulate matter (PM10), which affect both the environment and human health. Switching to renewable energy sources represents a key solution to mitigate these impacts, contributing to improved air quality and reducing the effect of operations on the environment.

Fostering the circular economy through waste management actions, both in own operations and along the value chain.

Link with policies and targets	Promoting the circular economy through waste management actions, both in the Group’s own operations and throughout its value chain, is aligned with the targets and strategies set out in its Environmental Policy. This action is linked to the targets set in the ACS Group's Sustainability Master Plan, which has a short-term time horizon, as it will be re-evaluated in 2025.
Scope of the action	The entire value chain
Time horizon	This action is carried out on a recurring basis and is implemented in the projects carried out by the ACS Group.
Progress on the actions	In 2024, the ACS Group achieved the recovery of 85.5% of the 15,049,063 tons of waste generated by its infrastructure and services projects

Description of the action:

The waste hierarchy is a priority in the ACS Group's resource management and circular economy strategy. Given the high use of materials and generation of waste in the construction and infrastructure sector, ACS promotes sustainable solutions to move toward a circular economy and reduce environmental impacts:

- **Prevent:** Designs based on circular economy principles and accurate material forecasting, including modular construction, elimination of composite materials, and reuse of existing structures, to minimise waste and dependence on primary resources.
- **Reuse:** Incorporation of disassembly and reuse options from design, using digital tools such as BIM and constant monitoring of waste volumes to optimise reuse in line with the waste management order.
- **Recycle:** Continuously increasing recycling rates by using recyclable materials in construction and recovering key materials such as cement, asphalt and steel.
- **Eliminate:** Reduction of hazardous waste through employee training, use of more sustainable materials, and rigorous control of disposal processes.

Risk analysis and preventive maintenance to avoid incidents

Link with policies and targets	Risk analysis and preventive maintenance to avoid environmental incidents is aligned with the targets and strategies set out in the Environmental Policy. This action is linked to the targets set in the ACS Group's Sustainability Master Plan, which has a short-term time horizon, as it will be re-evaluated in 2025.
Scope of the action	Affects the Group's own operations
Time horizon	This action is carried out on a recurring basis and is implemented in the projects carried out by the ACS Group.
Progress on the actions	In 2024, the ACS Group carried out risk analysis and preventive maintenance to avoid environmental incidents, achieving 0 severe environmental incidents.

Description of the action:

Ensuring environmental safety at construction sites requires the implementation of preventive plans designed to avoid incidents that may generate pollution in the environment. To this end, ACS carries out environmental risk analyses in activities where there is a possibility of accidents that could have an ecological impact. Based on these analyses, preventive measures are established to minimise the probability of occurrence and, if necessary, remediation protocols are implemented for an effective response to any incident.

In addition, a fundamental aspect in preventing environmental damage is the preventive maintenance on the machinery and equipment used in operations. Periodic reviews allow potential failures to be detected before they occur, ensuring efficient operation and reducing the risk of unwanted spills or emissions. These actions reinforce the ACS Group's commitment to environmental protection and sustainability in all its activities.

2.2. Metrics and Targets

2.2.1. E2-3 Targets related to pollution

In line with its commitment to sustainability and responsible resource management, the ACS Group has set specific pollution targets in its Sustainability Master Plan. These targets, aligned with the company's internal policies, seek to measure the effectiveness of the actions implemented to manage the identified material IROs. The base year considered for these targets is 2019, and their time horizon extends to 2025, coinciding with the term of the Sustainability Master Plan. Over the coming year, the plan is to update these actions, resources and targets so they will respond more directly to the IROs identified, reflecting the ACS Group's ongoing commitment to sustainability.

In the field of pollutant emission prevention and control, the targets set by ACS cover both air and soil. In the case of air pollution, the material pollutants identified are those released by the burning of fossil fuels during operations. For soil pollution, the material pollutants correspond to accidental spills of fossil fuels used in the operation of machinery.

Although these pollutants have been flagged as material, the ACS Group's policies, actions and targets include comprehensive management of all pollutants and pollution vectors, thus guaranteeing a comprehensive and responsible approach to pollution in all its forms. This approach enables the ACS Group to stay in line with international sustainability standards and to respond effectively to stakeholder expectations, mandatory regulatory demands and care for the environment, although the targets set by the Group at consolidated level are voluntary targets.

The priority targets in relation to this topic defined in the ACS Group's 2025 Sustainability Master Plan are as follows:

Increase the environmental management systems certified under the ISO 14001 standard

Link to policies	This target is related to the Environmental Policy established by the ACS Group. Its purpose is, through the implementation of environmental management systems certified by external entities, to mitigate the risk of generating accidental impacts on the environment, as well as to minimise and reduce negative impacts related to pollution, guaranteeing optimal environmental management.
Target level to be achieved	The target is relative as it consists of increasing the percentage of ACS Group operations that are certified through these systems
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 base year is 2019 for the operations indicator covered by ISO 14001, with a baseline of 73.9%. The 2019 baseline was considered excluding the part of the Industrial Services Division sold in December 2021, and Thiess as "Operationally Equivalent" after 50% of it was sold in December 2020. Furthermore, the baseline has been updated throughout the life of the Sustainability Master Plan following the best methodologies carried out during the Plan.
Performance	The ACS Group monitors the percentage of its operations covered by ISO14001 on an annual basis. This rate continues to rise steadily, starting at 73.9% in 2019 and continuing to rise to 91.8% in 2024, exceeding the initially defined target.

Reducing scope 1 emissions by 35% in 2030, with an intermediate reduction target of at least 15% by 2025

Link to policies	This target is related to the Environmental Policy established by the ACS Group.
Target level to be achieved	The target is absolute.
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 baseline year is 2019 in the scope 1 emissions indicator at 541,106 tCO2eq. The 2019 baseline was considered excluding the part of the Industrial Services Division sold in December 2021, and Thiess as "Operationally Equivalent" after 50% of it was sold in December 2020. Furthermore, the baseline has been updated throughout the life of the Sustainability Master Plan following the best methodologies carried out during the Plan.
Scientific evidence	This target is based on science-based criteria.
Performance	In 2024, 324,091 tCO2eq. were emitted, a reduction of 32.8% compared to the baseline year.

Zero environmental incidents with severe environmental damage.

Link to policies	This target is related to the Environmental Policy established by the ACS Group.
Target level to be achieved	The target is absolute, because the target is set to achieve zero environmental incidents with severe damage.
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 baseline year is 2019. The target was set in 2019, but no baseline has been set because it is not a comparative target, but an absolute target and the aim is to have no severe environmental incidents.
Performance	In 2024, the number of environmental incidents with severe damage was 0.

Progressively minimise the non-hazardous waste sent to landfills

Link to policies	This target is related to the Environmental Policy established by the ACS Group.
Target level to be achieved	The target is absolute, as it is to reduce the non-hazardous waste sent to landfills.
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 baseline year is 2019, with a rate of 21.2% of non-hazardous waste sent to landfills.
Performance	The amount of non-hazardous waste sent to landfills is monitored annually. This measurement represented in percentage was 13.2% in 2024, having decreased compared to the base year 2019.
Type and hierarchy	The target is related to waste management, specifically the disposal of the waste generated by the ACS Group's business model.

2.2.2. E2-4 Pollution of air and soil

Following the Double Materiality Analysis carried out by the ACS Group, certain topics related to air and soil pollution were identified as material. The relevant pollutants under Regulation (EC) No 166/2006 of the European Parliament and of the Council of 18 January 2006 concerning the establishment of a European Pollutant Release and Transfer Register and amending Council Directives 91/689/EEC and 96/61/EC, are listed below.

Air pollution

The most relevant polluting compounds for the ACS Group in relation to air pollution are those generated by the burning of the fossil fuels used in the machinery employed during its activities. These compounds include:

- **Nitrogen oxides (NOx):** These mainly include nitric oxide (NO) and nitrogen dioxide (NO_2). These compounds are generated during combustion at high temperatures and are precursors of acid rain and photochemical smog.
- **Sulphur oxides (SOx):** Mainly sulphur dioxide (SO_2), which is produced during the combustion of fossil fuels that contain sulphur, such as coal and oil. This compound is one of the main causes of acid rain.
- **Particulate matter smaller than or equal to 10 micrometres (PM10):** This refers to airborne solid and liquid particles with an aerodynamic diameter of 10 micrometres or less. These particles affect atmospheric visibility and ecosystems.

Air pollutants (kg)	2024
Amount of significant atmospheric emissions, in kg of NOx.	905.04
Amount of significant atmospheric emissions, in kg of SOx.	82.87
Amount of significant atmospheric emissions, in kg of PM10	163.72

To calculate the particulate pollutants, for NOx, SOx and PM10 the factors from the EMEP/EEA air pollutant emission inventory guidebook 2023 have been used, in combination with the total consumption of fossil fuels used in vehicles and machinery in the construction sites.

Soil pollution

The ACS Group's business model does not directly generate soil contamination in its ordinary activities. However, there is the possibility of contamination from accidental spills of fossil fuels used in operations. The potential soil contaminants associated with these discharges include BTEX compounds (Benzene, Toluene, Ethylbenzene and Xylenes):

- **Benzine:** A highly toxic volatile organic compound, known to cause carcinogenic effects.
- **Toluene:** An organic solvent less toxic than benzene, but equally capable of affecting soil quality. It is volatile and highly flammable.
- **Ethylbenzene:** Mainly used in the production of styrene, this compound can cause adverse effects on terrestrial organisms by contaminating soil.
- **Xylenes (orthoxylene, metaxylene and paraxylene):** These compounds are used as solvents in various industrial applications. They have toxic properties and can affect flora and fauna by infiltrating the soil.

BTEX Soil pollutants (kg)	2024
Benzene	0.41
Toluene	0.94
Ethylbenzene	0.40
Xylene	0.94
Amount of significant atmospheric emissions, in kg of BTEX	2.69

The BTEX compounds were calculated using conversion factors from the reference source "Annex 7. CO_2 and PCI emission factors of fuels" of the Spanish Ministry for Ecological Transition and Demographic Challenge, in combination with total volume of accidentally dumped fossil fuels.