3. ESRS E-3. Water

As part of its commitment to sustainability, the ACS Group integrates responsible water management as a key element into its management model. In line with its mission to responsibly manage water resources, the ACS Group promotes initiatives aimed at reducing water consumption, reusing this resource and improving its efficiency in all the ACS Group's operations. Through the adoption of innovative practices and process optimisation, the ACS Group seeks to minimise its impact on water resources, complying with applicable legislation and promoting sustainable water management in the environments in which it operates.

Water management is an essential strategy to guarantee the long-term sustainability of the infrastructures and services offered by the ACS Group. This approach not only reduces consumption and negative impacts on aquatic ecosystems, but also contributes to the preservation of this vital resource for communities and productive activities. It also reinforces the ACS Group's ability to respond to stakeholder expectations, strengthen its competitiveness, and anticipate growing environmental and regulatory challenges in a context of global water scarcity.

Water management is closely interlinked with other environmental topics, in particular it is linked with climate change and biodiversity. Climate change directly influences phenomena such as droughts and desertification, which in turn have an impact on biodiversity loss. In response to this reality, the ACS Group addresses these aspects in an integral manner, adopting a holistic vision that enables their interconnections to be understood and managed, and avoiding treating them as independent areas.

3.1. Impact, Risk and Opportunity management

3.1.1. ESRS 2 – IRO 1 Description of the processes to identify and assess material water-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.

3.1.2. E3-1 Policies related to water

The ACS Group has a series of policies that directly address water management, in addition to focusing on implementing the various strategic lines established in relation to this issue. These policies include the Environmental Policy, which deals directly and specifically with sustainable water management. This policy develops and expands on the key commitments set out in the Group's Sustainability Policy, consolidating its focus on responsible water management. All these policies cover the identification and management of material IROs defined in the Double Materiality process.

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

General Sustainability Policy

Relationship with Material IROs

The policy promotes water optimisation through canals and water treatment plants, as well as water recycling. All of this is directly related to reducing water consumption, and to minimising water extraction and discharges in its activities.

Environmental policy

Relationship with Material IROs

ACS's Environmental Policy addresses sustainable water management as one of its fundamental pillars. Some of the key issues related to this topic are:

- Reducing consumption and extraction of water as a resource, through preventive measures (such as using distribution networks, canals, water treatment plants, etc.)
- Optimising water use, especially in operational activities that require excessive water extraction.
- Promoting practices that minimise adverse effects on water availability, especially in water-stressed areas.
- Promoting water reuse and recycling in renovation and retrofitting projects, integrating life cycle analysis to identify opportunities for improvement in water management, thereby significantly reducing water extraction and discharge.
- Treating water before discharge as part of a comprehensive strategy to reduce environmental pollution and preserve water resources.

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.

Sustainability Due Diligence Protocol

Relationship with Material IROs

The Protocol sets out the due diligence approach and measures that ACS has defined for the Group, and, to the extent applicable, its Business Partners, on identified material IROs, as well as the means envisaged to procure and verify their compliance.

3.1.3. E3-2 Actions and resources related to water

The ACS Group has various actions and resources to manage the material IROs identified in the activities of its own operations in relation to sustainable water management. Through specific actions aimed at reducing consumption, more efficient practices are implemented to ensure adequate wastewater treatment before discharge. It should also be noted that, in those areas of high water stress where the Group's operations may have a significant impact, ACS pays special attention to reducing water consumption, both in its own activities and in those related to its value chain.

Water protection plans in water-stressed areas:

Link with policies and targets	Designing and implementing water protection plans in water-stressed areas 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.
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.

Description of the action:

Each of the ACS Group's operating units supervises projects in areas of high water stress and draws up a specific water protection plan for each project, based on an internal ACS Group model. This plan identifies the relevant water stress factors and establishes processes and strategies to minimise water consumption. The measures include implementing best practice management initiatives, enforcing water quality standards, and monitoring discharge and drainage processes. Clear timelines are also specified for all the methodologies and measures introduced to continuously monitor, measure and analyse water consumption.

The effectiveness of the measures is periodically evaluated to identify opportunities for improvement and to implement corrective actions where necessary. The water protection plans are regularly updated to maximise their effectiveness and ensure compliance with the set targets. The measures included in these plans are adapted to the specific characteristics of each project. Some examples of these measures are:

- Using soil binders or vegetation instead of water for dust suppression on construction sites.
- Compaction with low humidity.
- Wastewater filtration systems to ensure water quality.
- Sediment and erosion controls to prevent negative impacts on nearby bodies of water.
- Rainwater retention systems to minimise water abstraction.

The progress on these initiatives is monitored through the regular collection of data recording project-specific water consumption in water-stressed areas. The results are published annually in the sustainability report, ensuring transparency and commitment to sustainable water resource management.

Reducing water consumption through recycling and reuse

Link with policies and targets	The measure of reducing water consumption through recycling and reuse measures 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.
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, 2,420,024 cubic metres of water were recycled and reused.

Description of the action:

The ACS Group implements various measures to reduce water extraction and returns, in line with the principles of the circular economy. Water reuse represents the greatest potential for limiting demand to the level of consumption needed, promoting recurrent uses in a circular way. This includes applications such as using water to make concrete or in processes such as cleaning and operation of sanitation facilities.

Some examples of these actions include:

- Reusing wastewater, such as using neutralised drilling water for compaction or dust control.
- Recycling systems for sanitation facilities.
- Using rainwater stored in retention systems.

3.2. Metrics and targets

3.2.1. E3-3 Targets related to water

To assess the effectiveness of the actions implemented in the management of material IROs related to water, and to ensure that they are adequately monitored, the ACS Group has set specific targets within the framework of its Sustainability Master Plan. These targets, defined in the Group's internal policies, reflect its commitment to sustainability and responsible management of water resources. The base year for these targets is 2019.

The ACS Group aims to update its Sustainability Master Plan, which expires in 2025, over the next year. This process will allow the adjustment of actions, resources and targets to respond directly to the IROs identified, thus reinforcing the Group's water strategy.

The ACS Group rigorously complies with the applicable legal requirements in each of the regions in which it operates. In line with its commitment to the environment and people, and following high sustainability standards, the ACS Group implements targets that go beyond regulatory requirements, reinforcing its contribution to sustainable development and environmental preservation. The following are some of the water-related targets of the Sustainability Master Plan.

Promoting water consumption reduction initiatives and water recycling/reuse procedures

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 base year is 2019, with a baseline water consumption of 2,540,419 m^3.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 total water consumption is monitored annually in terms of the base year (2019). In 2024, a total of 1,437,498 cubic metres were consumed, excluding the 8 months of Thiess due to its global integration.
Type	The target is related to reducing water consumption.

Monitoring the water extracted from water-stressed areas to minimise its share

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 base year is 2019, with a baseline water consumption of 2,290,632 m^3. 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 water withdrawns in water-stressed areas are monitored annually.

Establishing a method for calculating the water footprint

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 target is measured as the percentage of sales covered by the water footprint calculation methodology. In 2019, the base year, this methodology was not implemented, so it would be 0%.
Performance	The number of projects sold for which a water footprint calculation has been carried out is monitored annually. The comparative data between years is trending upwards. This is because, since the target was implemented in 2019, water footprint calculation has been implemented in a large number of Group companies, with it going from 0% to this calculation existing in companies representing 80% of the Group's sales in 2024.

3.2.2. E3-4 Water consumption

The information on water consumption and management in the ACS Group is collected by means of two different techniques:

- **Indirect measurement:** When the water consumed comes from external sources, such as the public supply network, the data is obtained from the invoices issued by the supplier.
- **Direct measurement:** In cases where water is abstracted from surface or groundwater sources, quantification is carried out by means of meters installed on the abstraction pumps or on the discharge pumps in the case of groundwater

With regard to discharges, compliance with the legislation applicable to each respective location is enforced. The ACS Group thus has adequate measurement systems (at the project, company and corporate levels), permitting detailed knowledge of the main sources of consumption.

The same direct metering procedure is applied to quantifying the cubic metres of water reused, recycled or stored, ensuring an accurate and transparent record of water management. If direct measurement is not possible, an estimate is made.

ACS Group Breakdown of water (withdrawal-discharge) (1)	2023	2024
Total water withdrawn (m3)	**11,716,719**	**23,223,917**
Volume of water withdrawn from surface water (rivers, wetlands, lakes) (m3)	1,051,526	1,031,282
Volume of water withdrawn from groundwater (m3)	2,971,507	9,869,004
Volume of water withdrawn from third parties (municipal network, processing plant or public or private service) (m3)	7,664,059	4,935,280
Volume of water withdrawn from marine waters (m3)	29,627	7,388,351
Total water withdrawn in water stress areas (m3) (2)	**5,932,724**	**7,344,865**
Volume of water withdrawn from surface water (rivers, wetlands, lakes) in water stress areas (m3)	218,055	569,282
Volume of water withdrawn from groundwater in water stress areas (m3)	3,498,376	4,668,087
Volume of water withdrawn from third parties (municipal network, processing plant or public or private service) in water stress areas (m3)	2,188,263	2,104,117
Volume of water withdrawn from marine waters in water stress areas (m3)	28,029	3,379
Total water discharged (m3)	**7,423,601**	**11,064,309**
Volume of water discharged into surface water (rivers, wetlands, lakes) (m3)	2,841,288	3,649,247
Volume of water discharged into groundwater (m3)	17,232	3,983,170
Volume of water discharged into third-party waters (municipal network, processing plant or public and private services) (m3)	4,390,172	3,387,450
Volume of water discharged into marine waters (m3)	174,908	44,442
Total water discharged in water stress areas (m3)	**4,771,150**	**5,463,495**
Consumption (m3)	**4,293,118**	**12,159,608**
Ratio: m3 of water consumed/ revenue	120	292
Consumption in water stress areas (m3)	**1,161,573**	**1,881,370**

(1) In 2024, starting from May, data from Thiess is included following its transition to full consolidation.

(2) In Dragados' Lima Metro project (Peru), 2,546,187.23 m³ and 3,130,954.66 m³ of groundwater emerged in 2023 and 2024, respectively, during excavation works. Virtually all of it (2,542,534.84 m³ and 3,121,710.91 m³, respectively) was returned to the aquifer in similar or improved conditions. The 2023 data has been restated to reflect this difference.

The figures for 2023 and 2024 are not comparable, since 2024 includes eight months of water consumption by Thiess, whose share increased on 23 April 2024, when the 10% stake in Thiess was repurchased, bringing it back into the ACS Group's scope of full consolidation.

In comparable terms (i.e., without the Thiess data included in 2024), the water consumption fell by 30.64%, with the total water consumption of ACS ex Thiess amounting to 1,437,498 m^3. This decrease is mainly due to the decrease in water abstraction at Cimic, especially as a result of the completion of three projects with high water consumption in 2023.

ACS Group water withdrawn/ discharged without Thiess	2023	2024
Total water withdrawn (m3)	11,716,719	12,476,873
Total water discharged (m3)	7,423,601	11,039,375
Water consumption (m3) (Excluding Thiess)	**4,293,118**	**1,437,498**

	2024
Total water recycled and reused (m3)	2,420,024