

9. ESRS S-3. Affected communities

9.1. Strategy

9.1.1. *ESRS 2 SBM-2 Interests and views of stakeholders*

In the ACS Group, local communities represent a highly relevant stakeholder group, given the direct influence that the Group's activities have on the territories in which it operates. The nature of its business model generates constant interaction with local communities, impacting both their environment and their quality of life.

An outstanding example is the Group's relationship with communities in construction sites, where ACS carries out projects that can significantly transform the local environment. These interactions involve not only a physical impact, such as land use or natural resources, but they also create jobs and jump start the economies of the regions. Likewise, in areas where the ACS Group operates on a continuous basis, such as where there are infrastructures managed by the ACS Group, the interrelationship with local communities is crucial for ensuring the long-term acceptance and sustainability of the projects.

Respect for human rights and respect for local and indigenous communities is a strategic priority. The ACS Group promotes the implementation of measures aimed at minimising the negative impacts associated with its activities, ensuring constant dialogue with local stakeholders and creating shared value in the settings in which it operates, and acting as a driver of economic and social development through the generation of jobs, training and support for social initiatives.

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

As a result of its business model, the ACS Group has a direct and continuous relationship with local communities and indigenous populations. These stakeholders are considered highly relevant due to the coexistence arising during the Group's activities, particularly in the areas of Integral Solutions, Engineering and Construction, where stakeholders adjacent to the construction sites are affected, as well as in Other Businesses (Services), with the local communities close to the companies' activities having the closest relationship. These local communities are differentiated into two groups:

- **Affected communities:** This refers to the local populations living in the vicinity of the areas where the Group operates and who are affected positively or negatively, directly or indirectly.
- **Indigenous peoples:** Indigenous peoples are communities with their own social, cultural and economic identity, closely linked to their ancestral territories, whose traditions, rights and ways of life must be respected and protected.

Aware of this reality, the ACS Group promotes close collaboration with these communities, with the aim of generating positive value through transparent and bidirectional communication, in addition to creating jobs and boosting economic development in the area. The Group also works to mitigate the negative impacts that may arise from its operations and to remedy those that may have occurred, wherever required by law. This approach is based on rigorous respect for the social, economic and cultural rights of these communities, with a special focus on those most at risk due to their particularities. These risks are considered systemic, as their occurrence derives directly from the activities of the companies and not from one-off incidents.

The material impacts linked to local communities and indigenous peoples are directly related to the business model and activities carried out by the Group's companies. In this regard, ACS's strategy is reflected in its corporate policies and internal regulations, which establish specific principles and parameters for action in relation to these topics.

These policies are described in detail in section 9.2.1 of this report. Likewise, the business models of the ACS Group's companies allow for the possibility of developing their own policies or action plans, always aligned with the general principles established by the ACS Group.

By identifying the material impacts related to the communities affected by the ACS Group, an assessment was made of the effect they generate on the ACS Group's strategy and business model, as well as on its value chain. Accordingly, this chapter sets out a series of policies, actions and targets that relate to the management of material IROs linked to this sustainability topic.

9.2. Impact, Risk and Opportunity management

9.2.1. S3-1: Policies related to affected communities

To carry out its strategy, the ACS Group has various policies aimed at promoting respect for human rights and access to information for local communities, and at preventing and managing impacts on indigenous peoples, through which material IROs are managed.

The most relevant of these policies include the Group's Code of Conduct, General Sustainability Policy, and Human Rights Policy. These policies extend and develop the fundamental commitments that the ACS Group has taken on in its General Sustainability Policy, reinforcing its focus on respect for affected communities. The General Sustainability Policy has been articulated to comprehensively manage the material IROs identified in the Double Materiality process, and ensure an effective response aligned with the ACS Group's values and targets. The Sustainability Due Diligence Protocol sets out the due diligence measures defined by ACS for the ACS Group and, to the extent applicable, its Business Partners, as well as the means envisaged to ensure and verify compliance.

In 2024, no firm convictions were reported in relation to violations of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises involving affected communities.

These policies are discussed in further detail in section MDR - P in chapter ESRS - 2, and the material IROs are laid out in section SBM - 3 of chapter ESRS 2.

Code of Conduct

Relationship with Material IROs

The ACS Group's Code of Conduct focuses on promoting integrity and ethics, complying with all applicable laws and regulations. It prohibits all forms of corruption and bribery, and is committed to respecting and promoting human rights. It protects confidential information and personal data, ensures a safe and healthy working environment, and promotes sustainability and environmental protection. It also establishes a whistleblowing channel to report any irregularities.

Accordingly, all ACS Group companies and divisions must act in accordance with these principles and standards. This includes the active participation of local communities, including indigenous peoples, and keeping them duly informed, to avoid negative impacts on their rights. Promoting accessible and clear information to the stakeholders and local communities whose rights may be affected by its projects is key to fostering consent and collaboration between ACS and indigenous peoples.

In addition, the ACS Group is committed to promoting the development of local communities by listening to them through various communication channels and implementing community support plans in areas where land has been degraded, which has a positive impact on both local communities and the environment.

The Code of Conduct is directly related to acting responsibly and ensuring respect for the rights of minorities, including indigenous peoples, by promoting an accessible information system with local communities that may be affected by ACS Group's projects.

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General Sustainability Policy

Relationship with Material IROs

The ACS Group's Sustainability Policy focuses on promoting sustainable and responsible practices in all its operations. This includes the active participation of local communities, including indigenous peoples, and keeping them duly informed, to avoid negative impacts on their rights. Promoting accessible and clear information to the stakeholders and local communities whose rights may be affected by its projects is key to fostering consent and collaboration between ACS and indigenous peoples.

In addition, the ACS Group is committed to promoting the development of local communities by listening to them through various communication channels and implementing community support plans in areas where land has been degraded, which has a positive impact on both local communities and the environment.

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.

Human Rights Policy

Relationship with Material IROs

The policy strengthens the ACS Group's commitment to respecting the labour and human rights of local communities, promoting the comprehensive protection of their rights, and guaranteeing their access to relevant information, in addition to the availability of direct communication channels with the ACS Group. Moreover, the policy incorporates the use of the Whistleblowing Channel, which opens a line for interacting with the affected communities

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.

Corporate 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.

9.2.2. S3-2 Processes for engaging with affected communities about Impacts; and S3-3 Processes to remediate negative Impacts and channels for affected communities to raise concerns

The ACS Group recognises the importance of local communities as key stakeholders in the territories in which it operates, promoting a sustainable and respectful approach to the environment and the people affected. To ensure this commitment, the Group has set up processes of active engagement, listening and remediation of negative impacts.

The relationship with local communities starts at the initial phase of the projects. ACS's customer is responsible for conducting the Environmental Impact Assessment (EIA) and obtaining the necessary permits. During this phase, a process of active listening to stakeholders takes place, allowing the communities to express their needs, concerns and expectations. The aim is to identify any potential impacts in the engineering, construction, operation or maintenance phases.

ACS works closely with the customer at this stage, proposing alternative solutions to minimise the environmental and social impacts, favouring a positive resolution of the EIA and providing added value to local communities.

During the construction phase, local communities, including indigenous peoples and other stakeholders, can voice their concerns through the ACS Group's Whistleblowing Channel. This channel, managed by an independent third party, guarantees the confidentiality and protection of the whistleblowers' information. The submissions received are assessed in detail and, where necessary, specific measures are taken to address and remedy any negative impacts.

In regions with indigenous populations, such as Australia, ACS adopts specific protocols that respect these communities' cultural, intellectual, religious and spiritual heritage. Special attention is paid to their lands, avoiding negative impacts and remedying those that do occur. ACS complies with national and international legislation on the protection of indigenous peoples, reaffirming its commitment to their rights.

The Corporate Due Diligence Protocol, updated in 2024, states that local communities must be consulted in the phases of reporting, definition of indicators, development of preventive and corrective action plans, decision-making and adoption of remedial measures. Where direct collaboration is not possible, independent experts, such as civil society organisations or human rights and environmental advocates, are used.

The various companies of the Group will report on human resources and environmental matters to the bodies in charge of the sustainability function, which will ensure that reasonable efforts are made to analyse the risks to human resources and environmental and thus identify, assess and prioritise them, adopting appropriate measures for their prevention, management, mitigation and, where appropriate, remediation.

The Ethical Channel, available on the corporate website and by email and post, is the primary means for communities to voice their concerns. This channel is managed independently, ensuring confidentiality and proper handling of complaints.

The reports received are carefully analysed to identify potential negative impacts, whether from ACS's direct operations or from the actions of its business partners. This information is key to designing strategies and action plans aimed at remediating impacts and improving sustainability management.

If a proven current negative material impact is detected, the ACS Group will:

- Determine the source of the impact and the extent of the Group's influence on its materialisation.
- Attempt to restore the affected persons to their pre-impact state, where possible and where legally enforceable.
- Comply with the applicable legislation and follow any international remediation guidelines that may exist.

- Take corrective action through a Corrective Action Plan, with defined deadlines and indicators to measure progress.
- Assess the impact on the business partners involved, to determine their responsibility for the remediation.

The Sustainability Department will lead the investigations into the negative impacts and coordinate with the relevant departments to implement preventive and corrective measures. These actions ensure compliance with the ACS Group's commitments and continuous improvement in its relationship with local communities.

In short, the ACS Group promotes active collaboration, attentive listening and effective restitution of negative impacts, consolidating its commitment to sustainable development and respect for the rights of the communities affected by its activities.

9.2.3. S3-4 Taking action on material Impacts on affected communities, and approaches to managing material Risks and pursuing material Opportunities related to affected communities, and effectiveness of those actions

The ACS Group has various actions and resources to manage material IROs with local communities and indigenous peoples. By implementing these actions, the Group seeks to mitigate the negative impacts while also maximising the creation of shared value. The main initiatives implemented are included. ACS generates value for local communities, not only through the following actions, but also through its social action initiatives that go beyond those that are mandatory, and that are discussed in detail in chapter 13: Donations and Foundations

The ACS Group has adequate resources to manage the affected communities. The main resources, both in terms of personnel and financial resources, are focused on respecting their rights, actively listening to their needs and expectations, and incorporating their considerations into the Group's strategy.

Generating Value through Active Listening to Local Communities

Link with policies and targets	The process of promoting local procurement is aligned with the principles set out in the 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 and downstream 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, the ACS Group's funds allocated to Social Action amounted to EUR 16.2 million.

Description of the action:

The ACS Group maintains a firm commitment to active listening and continuous dialogue with the local communities in the areas where it operates. To this end, it has various communication channels, including its Whistleblowing Channel, designed to receive and manage concerns and suggestions in a confidential and secure manner, and the needs and expectations expressed by local communities and indigenous peoples through Environmental Impact Assessments.

In addition, ACS collaborates with local associations, NGOs, public and private organisations, as well as companies that promote social action. Through these sources of information, both direct and indirect, the Group identifies and assesses the needs and expectations of local communities, and integrates them into its social action strategy.

The information gathered enables ACS Group companies to select and promote social action initiatives that are aligned with the generation of value in local communities and indigenous peoples, as well as with the reduction and mitigation of negative impacts associated with their operations. Specific examples of these projects, such as Bridges for Prosperity, are detailed in chapter 13 of this report.

Through these actions, ACS reaffirms its commitment to sustainable development and the well-being of the communities in which it operates, fostering their growth and strengthening its positive impact on society.

Encouraging companies to buy local

Link with policies and targets	The process of promoting local procurement is aligned with the principles set out in the Code of Conduct. 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 and upstream 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 the percentage of local workers was 98.0%, with 83.1% local suppliers.

Description of the action:

The Group companies have commitments to remain in most of the regions where they operate, actively contributing to the economic and social development of these settings. Because of this, the Group's companies favour the local hiring of employees and suppliers in the local settings where they operate, to generate social and economic value wherever the Group is present. Likewise, the ACS Group promotes not only the hiring of local personnel, but also encourages keeping the value chain in the place of origin, generating value in the communities, while reducing the environmental impact of transport. Thus, in 2024, 83.1% of the Group's suppliers were local. In this regard, in using building materials, one of the Group's main inputs, the use of local suppliers or suppliers whose facilities are located in the immediate vicinity of the projects is actively encouraged. This not only creates shared value in the community, but also helps reduce transport costs and emissions.

On the other hand, the ACS Group carries out activities such as the "Employment routes" project developed by Clece, to bring job offers to the population in an innovative and effective way. A bus converted into a travelling employment office is the protagonist of Clece's "Employment routes", a project that goes one step further, bringing job opportunities to various locations in Spain where the need to keep the population from emigrating has been identified.

It is especially important in these localities where the greatest value is added to society, because they offer employment to their inhabitants without them having to leave their places of origin. In addition, many of these jobs are in the area of care, ensuring access to this essential service for elderly and dependent people living in remote areas. With great success in terms of participation, this initiative has demonstrated Clece's firm commitment to creating jobs in a unique, innovative way. In 2024, the employment route travelled through the provinces of Almería and Burgos, with a result of 480 jobs offered and numerous hires on the spot. Since 2022, 10 routes have been run in 13 provinces. In total, 2,645 jobs have been offered.

Protecting and promoting indigenous communities

Link with policies and targets	The process of promoting local procurement is aligned with the principles set out in the Code of Conduct. 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 and upstream 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.

Description of the action:

The ACS Group respects the rights of indigenous communities, while promoting their development through direct or indirect hiring and specific training programmes for these communities.

Thus, for example, the ACS Group's companies, especially those operating in Australia and North America, maintain a constant and active focus on effective communication and engagement with indigenous communities. The actions with a short to medium-term time horizon include:

- Partnerships with indigenous organisations that support indigenous participation in employment and business opportunities, such as CareerTrackers, the Clontarf Foundation, Supply Nation at CIMIC, Clean Energy BC and the First Nations Summit at Flatiron
- Implementing employment and occupational qualification programmes for indigenous people; such as the CPB Contractors programme of Women in Construction, in which 12 women from indigenous communities participated in 2024
- Promotion of sourcing from indigenous community suppliers, for example in 2024, Cimic sourced goods and services from indigenous community suppliers by investing over AUD 210 million
- Information and cultural awareness training for Group employees
- At CIMIC, the participation of indigenous groups is guaranteed through its Reconciliation Action Plans
- In the US, the community managers follow the Company's policy regarding the inclusion of indigenous groups.

In addition to these initiatives, the ACS Group works to generate shared value in these communities through its Social Action programme, as described in chapter 13 of this report.

9.3. Metrics and targets

9.3.1. S3-5 Targets related to managing material negative Impacts, advancing positive Impacts, and managing material Risks and Opportunities

To measure the effectiveness of the actions described above and to adequately monitor them, the ACS Group has set various targets in relation to the affected communities.

The targets and actions set by the ACS Group are identified through a process of listening to and collaborating with affected communities, considering them in the identification and management of IROs, policies and strategy, as explained throughout the chapter. In addition, the Group's performance is tracked against targets, specifying the progress toward each target.

All the targets set by the ACS Group go beyond the legal requirements imposed by the countries in which it operates, reflecting the organisation's firm commitment to sustainability. Moreover, the methods applied to set the targets and promote stakeholder engagement are detailed in general information chapter ESRS 2.

The priority targets in relation to this topic are:

Keeping the proportion of employees from the local community above 90%

Link to policies	This target is related to the Code of Conduct for Business Partners 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), even though the companies in the Group have set their own additional targets. The value chain link concerned is the Upstream Value Chain Phase.
Baseline value and year	There is no baseline, as the target is to maintain a ratio of employees. The target was implemented in 2021.
Performance	The target is monitored annually. By 2024, 98.0% of the employees were local employees

Keep local suppliers above 75%

Link to policies	This target is related to the Code of Conduct for Business Partners 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), even though the companies in the Group have set their own additional targets. The value chain link concerned is the Upstream Value Chain Phase.
Baseline value and year	There is no baseline, as the target is to maintain a ratio of employees. The target was implemented in 2021.
Performance	The target is monitored annually. By 2024, 83.1% of the suppliers were local suppliers.

Increasing the number of employees from vulnerable groups by 7% compared to 2020

Link to policies	This target is related to the Code of Conduct for Business Partners established by the ACS Group.
Target level to be achieved	The target is absolute.
Scope	<p>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), even though the companies in the Group have set their own additional targets. The value chain link concerned is Own operations and downstream in the value chain.</p> <p>This target recognises indigenous communities as part of vulnerable groups, considering their status as a local community and the need to guarantee respect for their human rights and cultural particularities. In this context, one of the ACS Group companies with the highest representation of workers from indigenous communities is CIMIC, which implements specific measures to promote their inclusion, guarantee they are respected and preserve their identity as a sensitive community.</p>
Baseline value and year	The baseline is 9,819, with a base year of 2020. The target was implemented in 2021.
Performance	In 2024, the number of employees from vulnerable groups, including people with disabilities (which in Clece includes people at risk of social exclusion, women victims of gender-based violence and the long-term unemployed; and in Cimic includes employees from Cimic's indigenous communities) was 12,769: a 30.0% increase versus 2020.