

DRAGADOS

Sustainability
Report

22

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1. DRAGADOS GROUP

1. DRAGADOS GROUP

Dragados is a leading construction company founded in the early 20th century, whose activity is oriented toward the development of Civil Works infrastructure (highways, railways, maritime, hydraulic, and airport works) and both residential and non-residential Building construction. Dragados is a global leader in the Construction sector, having participated in the creation of more than 7,000 km of highways, 3,500 km of roads, 1,500 bridges, 1,380 km of tunnels, 545 maritime works, 250 dams and hydroelectric plants, 2,700 km of railways, rail transportation and numerous railway facilities, and 70 million sq. km of different buildings types, such as airports, hospitals, museums, high-rise buildings, and residential buildings.

Dragados is the leading construction company in Spain, with a number of national subsidiaries specialising in different areas. Dragados is also a global leader in construction,

in addition to being one of the world's largest contractors in public– private partnerships (PPP), having designed and built more than 100 concession projects worldwide. Dragados is developing major infrastructure projects in other European countries, such as the United Kingdom and Poland, where it is established through its subsidiary, Polaqua. Over the past few years, the United States and Canada have become the main business area of Dragados, thanks to the position and solid growth of its activity through its North American subsidiaries, Schiavone, Pulice, John P. Picone, Prince Contracting, and J.F.White Contracting, and its head companies on the North American continent, Dragados USA and Dragados Canada. Dragados also has extensive experience in the execution of projects in Latin America, with a presence spanning over thirty-five years, especially in Chile and Argentina, where Dycasa operates.

OUR COMPANIES



1. DRAGADOS GROUP

BOOSTING GLOBAL SUSTAINABILITY OF INFRASTRUCTURES

One of the cornerstones of the Dragados Group's corporate strategy is its commitment to carrying out its activity in a sustainable and responsible way, based on the ACS Group's Sustainability Policy.

This Sustainability Policy, which has been updated and approved by the Board of Directors, establishes the following actions to be taken by the ACS Group and its companies in the following areas, as well as in the Group's relationship with its surroundings:

- Respect of ethics, integrity and professionalism within the Group's relationship with its Stakeholders.
- Respect of the economic, social and environmental context.
- Promotion of research and innovation in the implementation of infrastructure development.
- Generating employment and welfare, as an economic motor for society.

- Developing an adequate and rigorous non-financial risks management, that may affect the Group, maximising the positive impacts and minimising the negative ones of its activities.

Therefore, in terms of Sustainability, the contributions of the Group's different companies converge to define their own action policies and manage their resources as efficiently as possible. This is always protected by the common principles defined in the ACS Group's Sustainability Policy, while pursuing the common objectives defined in the 2025 Director Plan for Sustainability approved by the Board of Directors in 2021.

Based on this plan, the Dragados Group has established the 2025 Sustainability Plan.

This Plan sets out the Group's three strategic priorities and the twelve sustainability commitments that the Dragados Group has set itself in order to continue promoting sustainability regarding infrastructures:

E**SUSTAINABLE
INFRASTRUCTURE**

PROMOTING THE GLOBAL TRANSITION TO SUSTAINABLE INFRASTRUCTURE

- Climate Neutrality to 2045
- Circularity in our activities
- Lead infrastructures construction with sustainable certificates
- Protection of the environment

S**TALENT AND
DIVERSITY**

INTEGRATING SPECIALIZED, DIVERSE AND COMMITTED TALENT

- Prioritize the occupational health and safety
- Development of specialized and diverse talent
- Economic and social development to support the local community

G**COMMITTED
GOVERNANCE**

COMMITTED TO GOOD BUSINESS PRACTICES AND SUSTAINABLE GOVERNANCE

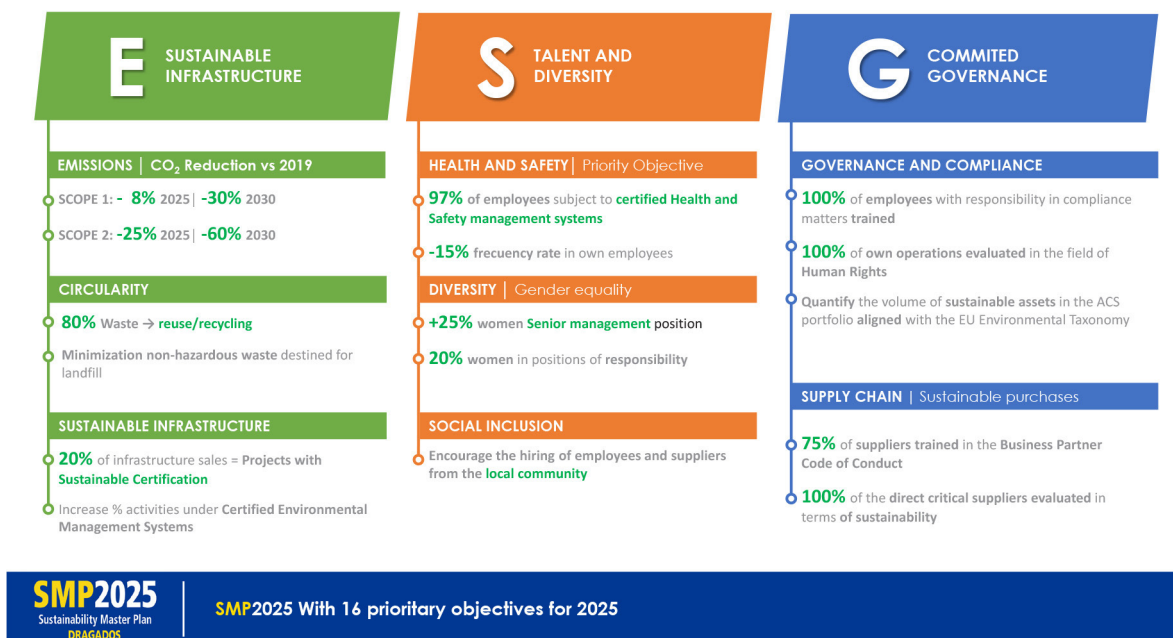
- Sustainability in the governance model
- Ethical and responsible culture
- Adapt the Group's financing to new sustainable financing models
- Responsible management of the supply chain
- Quality and reliability of sustainability information

SMP2025
Sustainability Master Plan
DRAGADOS**BUILDING A SUSTAINABLE FUTURE:** Driving global sustainability in infrastructure

1. DRAGADOS GROUP

Within these 3 commitments, 33 objectives are defined for the year 2025 aiming to continue creating shared values and maintaining the Dragados Group's position as a global leader in the infrastructure sector.

Considering the requirements of stakeholders in terms of sustainability and the identified construction material topics, the Dragados Group has established 16 of these objectives as priorities for 2025:



The Dragados Group's Sustainability Plan is in line with:

- the goals and ACS Group corporate strategy,
- fighting against climate change,
- the wishes and requirements of stakeholders
- and the Sustainable Development Goals of the United Nations.

The 2025 Sustainability Plan contributes substantially to the 6 priority Sustainable Development Goals.

The Plan will enable the Dragados Group to increase its contribution to the Sustainable Development Goals, generating a positive impact for society.



1. DRAGADOS GROUP

RISKS

The Dragados Group carries out its activities in different countries and socio-economic and legal environments that entail exposure to different levels of risk inherent to the businesses in which it deals.

In this regard, the ACS Group has a General Risk Map that is updated periodically, and is a fundamental tool of its Integral Risk Control and Management System, the latest version of which was approved in December 2022. On the construction business side of things, this risk map is applicable to Dragados Group companies and is used to manage them, implementing the appropriate mitigation measures in each case.

In relation to non-financial risks, and in accordance with the ACS Group's general risk map, the main risks that have been detected in relation to the issues dealt with in this Sustainability Report that may have an impact on the development of the company's activity are as follows:

Health, safety, and occupational risk prevention: due to the activity of the Dragados Group, incidents or accidents affecting the health and safety of employees, whether in-house or subcontracted, are a material aspect for the company as it works towards the goal of achieving "zero accidents".

Labour relations: inadequate management of key aspects of human resources, such as collective bargaining agreements, remuneration models, resource planning, absenteeism, training and labour disputes, which can have a negative impact on the achievement of business objectives.

Talent attraction and retention: lack of availability of skilled and trained human resources necessary for the performance of the Group's activities. This risk takes into account the entire recruitment process, i.e. training, career development, and satisfaction.

Ineffective internal communication: lack of communication between management and the teams, which may negatively affect human resources management and labour relations, and may pose a risk to the achievement of objectives, individual development, and the working environment.

Procurement and outsourcing processes: the contracting of external services has associated risks arising from the unavailability of suitable companies or professionals, in-

adequate selection or lack of capacity to meet the obligations undertaken, which may lead to delays, cost overruns, or quality failures.

Impact on the economic and social environment: the risk of generating a negative economic and social effect on local communities and responsible supply chain as a consequence of the Group's activity.

Customer relationship: inadequate customer relationship management can have a number of negative impacts on revenues as well as on the reputation of the business. In addition, there are risks associated with market conditions beyond the Dragados Group's control.

Infringement of human rights: the risk arising from non-compliance with the Dragados Group's corporate commitment to the United Nations Global Compact on human rights and labour, as well as the regulations in force in the countries in which the Group operates.

Information security and cyber-attacks: cyber threats could lead to a loss of tenders, prolonged operation downtime, uncontrolled access, and information and data leaks.

Environment and circular economy: the inappropriate use, or lack of use of the natural resources necessary for the development of activities that do not contribute to a circular economy model can lead to their scarcity and depletion, as well as the generation of negative impacts in protected areas or areas of high ecological value, as well as the implementation of activities in already affected areas, which can lead to a limitation of resources and opposition from local communities.

Climate change and energy efficiency: the occurrence of natural disasters or other climate change events, as well as non-compliance with new environmental and energy efficiency rules and regulations may impact the Group's activities and the cost of these activities.

The description of the main non-financial risks, the detection, prevention, management, and mitigation measures, as well as the applicable management indicators and policies, are detailed in each of the relevant chapters of this report.

2. ENVIRONMENT

2. ENVIRONMENT

The Dragados Group combines efficient resource management and protection of the environment, operating under the principles of precaution and conservation of the natural environment in order to minimise the impact of its operations. Similarly, due to the climate emergency, the Dragados Group aims to contribute to the transition towards a low-carbon economy by improving process efficiency within its activities, resulting in products and services with a lower environmental impact.

As a result of these commitments, the Dragados Group has defined an environmental management framework defined by the ACS Group's Environmental Policy, approved by the Board of Directors on 14 November 2018, and updated on 28 July 2022, articulated through the different management systems implemented in the Group's companies.

For this reason, the main environmental measures implemented by the Dragados Group are in accordance with the basic operating principles outlined in said policy. These guidelines are flexible enough to accommodate the specific procedures and mechanisms of each of the Group's companies. In this sense, the commitments set out in the Dragados Environmental Policy are:

1. Compliance with applicable legislation and regulations, as well as with other commitments made voluntarily in each of the Offices, Branches, Projects, Construction Works and Services carried out by the Dragados Group.
2. Pollution prevention, based on the evaluation of the potential risks to the environment at each stage of the project, construction work or service, with the aim of designing processes to minimise the environmental impact as much as possible.

3. Continuous improvement of environmental performance management by setting and monitoring environmental objectives.
4. Transparency of external communications, through the regular publication of information on environmental performance to all stakeholders, meeting their requirements and expectations, whether due to regulatory compliance or on a voluntary basis.
5. Training and awareness-raising, through coaching and consciousness-raising activities for employees, suppliers, customers and other stakeholders.

Dragados' Environmental Policy is embodied in the companies of the Group through the environmental management systems, which guarantees the correct management of environmental risks and opportunities, as well as the continuous improvement of their performances.

A total of 98% of the Group's operations are related to companies that have management systems certified under ISO 14001 standard or other similar certifications. Through these certifications, the Group implements the precautionary principle. In addition, environmental management systems are verified by an external third party within the companies representing 100% of the Group's sales, and 390 environmental audits have been carried out during 2022.

Thanks to this environmental management and control framework, the Dragados Group identifies the main impacts on the environment. Therefore, due to the Group's activity, the consumption of natural resources, the emission of greenhouse gases, the production of waste and the possible impact on biodiversity are identified as key areas in the company's management.

Level of implementation of the environmental management systems in Dragados Group companies (expressed as % of turnover)	2019	2020	2021 (*)	2022
Implementation of ISO 14001 certification	78.1%	79.1%	83.6%	87.1%
Implementation of other environment certifications	15.3%	15.5%	14.0%	11.1%

(*) Data for 2021 have been adjusted with new information received subsequently.

2. ENVIRONMENT



2.1. FIGHT AGAINST CLIMATE CHANGE

Concerns about the risks resulting from climate change require the involvement of governments and businesses to contribute to a less carbon-intensive production and consumption model.

The Dragados Group is aware of the important role it can play in the fight against climate change, as the construction sector is considered to be one of the most carbon-intensive sectors. Therefore, one of the general objectives of the Dragados Group is to promote energy efficiency and the reduction of emissions in the different areas of its business.

The basic principles governing the actions of the Dragados Group in this area are set out in the Environmental Policy of the ACS Group and are focused on:

- Consider and assess the climate change impacts of its activities, products and services.
- Minimise energy consumption and greenhouse gas emissions generated by its activities.
- Establishing greenhouse gas emission reduction targets aligned with the latest trends and standards.
- Establishing mechanisms to manage the use of Energy and emissions, to objectively measure performance and 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.

To face climate emergency challenges, the Dragados Group has prioritised these issues in the Group's governance and management model. In addition to the basic action principles set out in the aforementioned Environmental Policy, the ACS Group also has a Sustainability Policy that defines the fight against climate change as one of its main action priorities. The Dragados 2025 Sustainability Plan has been approved to structure the priorities, commitments, strategic lines, and objectives of all Dragados Group companies regarding climate change. The objective is to anticipate and manage the risks arising from climate change, as well as identifying new opportunities through the development of new sustainable and environmentally friendly solutions.

- Implement a climate strategy to anticipate climate neutrality by 2045.
- Progress in measuring the carbon footprint and reduce Scope 1 and 2 emissions by 2025.
- Strengthen climate change risk management through the implementation of international methodologies.

Each of the Dragados Group companies is working on different initiatives and measures to help the Group follow this strategy and achieve the global objectives set out in the 2025 Sustainability Plan and following the guidelines set out in the Environmental Policy of the ACS Group.

2. ENVIRONMENT



MANAGING CLIMATE CHANGE-RELATED RISKS AND OPPORTUNITIES

In order to respond to the need for global and homogeneous risk management, ACS Corporation has established a model that includes the identification, evaluation, classification, assessment, valuation, management, and monitoring of risks at the Group level and in the operating divisions, including Dragados Group companies. These identified risks are used to draw up a risk map, which is regularly updated according to the different variables that make up the map.

Below is a summary of the methodology, as well as the identification and assessment of the main risks and opportunities identified for the Dragados Group in relation to climate change. For the reporting of risks and opportunities related to climate change, the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) have been followed.

Definitions

Climate change risks can be classified into physical risks and transition risks.

- Physical risks emerge from the physical effects of climate change. They are considered acute if they arise from specific weather and climate events, and punctual or chronic if they arise from more progressive changes in weather patterns.
- Transition risks are the risks associated with adapting business models to a decarbonised economy. These risks are interconnected and their identification is important for stakeholders, as inaction on these risks can have operational and financial consequences. These risks include legal, technological, market, and reputational risks.

Climate opportunities arise from both the transition to a low-carbon economy and adaptation to physical risks.

These opportunities can be classified into five categories: opportunities related to energy efficiency, adoption of low-carbon energy sources, new product development, access to new markets, and resilience through the supply chain.

Scenarios and time horizons

As indicated in the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), different climate scenarios and time horizons have been used to assess climate risks and opportunities.

For physical risks, the SSP2-4.5 and SSP5-8.5 scenarios used by the Intergovernmental Panel on Climate Change (IPCC) in its latest assessment report (AR6) have been taken as a reference. The SSP2-4.5 scenario is a combination of the RCP4.5 scenario, which assumes an average change in atmospheric greenhouse gas concentrations and a resulting increase in global average temperature of 2.1°C between 2041 and 2060, and the SSP2 scenario, which favours climate change mitigation over adaptation.

The SSP5-8.5 scenario is a combination of the RCP8.5 scenario, which assumes a high evolution of greenhouse gas concentrations in the atmosphere and a resulting global average temperature increase of 2.6°C between 2041 and 2060, and the SSP2 scenario, in which climate change mitigation is favoured over adaptation. The time horizon analysed for physical risks has been updated according to the time horizons determined by the IPCC:

- (2021-2040)
- (2041-2060)
- (2080-2100)

2. ENVIRONMENT

For transition risks and opportunities, the Stated Policies Scenario (STEPS) and Net Zero Emissions by 2050 (NZE) scenarios of the International Energy Agency (IEA) have been used as a reference. The STEPS scenario builds on current policies and explores their consequences for climate change. The NZE scenario assumes an outcome of limiting global warming to 1.5°C and envisages the policies needed to meet this target. The following time horizons have been updated for the transition risks, in line with the transition scenarios analysed:

- (2022-2035)
- (2036-2050)

Methodology

For the identification and assessment of specific risks and opportunities related to climate change, a structured methodology has been applied in the following phases:

1. Comprehensive analysis of internal and external documentation including review of risks identified in the previous year.
2. Identification of potential risks:
 - Taking the list of physical hazards of the EU Taxonomy and the recommendations of the TCFD as a reference for physical hazards.
 - Taking the recommendations of the TCFD as a reference for transition risks.
3. Semi-quantitative assessment of the potential risks identified:
 - For physical risks, the analysis has been considered according to the scenarios and time horizons considered and based on three main risk components: exposure, vulnerability, and danger:
 - Exposure assesses the locations that could be negatively affected by a physical hazard resulting from climate change.
 - Vulnerability assesses the probability of being adversely affected by a physical hazard resulting

from climate change.

- Danger assesses the impact or size of damage and loss caused by a physical hazard resulting from climate change.
 - The initial data on exposure levels have been extracted directly from CMIP62, while the hazard and vulnerability analysis has been carried out qualitatively based on a review of scientific literature, relevant publications, and input from the main ACS areas.
- For transition risks and opportunities, a qualitative assessment of the likelihood and impact components has been carried out:
 - Likelihood of materialisation of the risk/opportunity according to the scenario and time horizon considered.
 - Potential financial, reputational, or operational impact of the risk depending on the scenario and time horizon considered.
 - The impact and likelihood analysis has been conducted qualitatively based on a review of scientific literature, relevant publications, and input from the main ACS areas.

The identification and assessment of climate risks and opportunities was carried out on a global level for ACS's three main business divisions, including the Dragados Group. The qualitative assessment of the components of each physical risk has been carried out using a 5-level scale: very low, low, medium, high, and very high. Exposure has been calculated based on climate projections of climate variables associated with each physical hazard and each scenario and time horizon.

The most significant risks for the Dragados Group classified according to their level of risk are presented in the following tables. Physical hazards have been aggregated by typology and taking into account the relative importance of each geography.

2. ENVIRONMENT

Assessment of the main physical risks				
Risks	Description	Potential impact	Scenario analysis	
Increase in the severity and frequency of weather events (acute)	Climate change is expected to affect the magnitude and frequency of extreme weather events: - Increased overall average temperature would mean higher intensity of strong precipitation. - Increase in magnitude and frequency of expected strong precipitation at the global level could lead to an increase in the frequency and magnitude of floods. - Climate change will foreseeably amplify the impact of cyclones on regions where ACS operates. - An increase in the impacts caused by storms or tornadoes in regions where ACS operates is also possible.	Extreme weather events can cause: - Direct losses due to material damage to the structure of the construction works, which may lead to an increase in maintenance and repair costs. - Disruptions and delays in construction work may lead to a loss of income. - Safety issues, including hazardous conditions for workers. This may lead to an increase in spending on safety and prevention. - The non-operability of certain infrastructures, causing a decrease in income from concessions.	2021-2040	SSP2-4.5
			2041-2060	SSP2-4.5
			2061-2100	SSP2-4.5
			2021-2040	SSP5-8.5
			2041-2060	SSP5-8.5
			2061-2100	SSP5-8.5
Extreme weather events related to temperatures (acute)	Climate change is expected to affect the magnitude and frequency of extreme climate events related to temperatures: - Climate risk of forest fires is increasing worldwide due to global heating. In the highest heating, the magnitude and frequency of forest fires are expected to increase in a alarming way. - Heat waves are expected to increase in duration, intensity and frequency in most regions in the world. - Cold waves could be more frequent and intense in certain regions where ACS operates despite the overall increase in minimum temperatures.	Extreme weather events related to temperatures can cause: - Direct losses due to material damage to the structure of the construction works, which may lead to an increase in maintenance and repair costs. - Disruptions and delays in construction work may lead to a loss of income. - Safety issues, including hazardous conditions for workers. This may lead to an increase in spending on safety and prevention. - The non-operability of certain infrastructures, resulting in a decrease in income from concessions.	2021-2040	SSP2-4.5
			2041-2060	SSP2-4.5
			2061-2100	SSP2-4.5
			2021-2040	SSP5-8.5
			2041-2060	SSP5-8.5
			2061-2100	SSP5-8.5
Disruptions in the supply chain caused by extreme weather events (acute)	Increased frequency and intensity of extreme weather events may stop the activity of material producers or cause impediments to the transport of them: - Extreme weather events affect transport infrastructure, causing problems in the movement of goods. - The negative economic impact is passed along the supply chain, transferring physical risks between sectors and borders. - Indirect effects through the supply chain and transport and electricity networks can be as important as direct effects.	Increased frequency of supply chain disruptions caused by extreme weather events would entail: - Disruptions in construction works, which may lead to delays causing profit losses. - Increase in the price of certain materials due to disruptions in the supply chain, resulting in higher costs.	2021-2040	SSP2-4.5
			2041-2060	SSP2-4.5
			2061-2100	SSP2-4.5
			2021-2040	SSP5-8.5
			2041-2060	SSP5-8.5
			2061-2100	SSP5-8.5

Code



2. ENVIRONMENT

Assessment of the main risks transition					
Risks	Description	Potential impact	Scenario analysis		
Reputational damage caused by climate change (reputational)	The growing awareness of climate change in society can lead to poor public opinion of the company and the sector: - As decarbonisation progresses, the focus of public opinion may shift towards the construction sector. - The construction sector still has great potential to reduce its emissions. In particular, buildings have an important role in mitigating climate change. - The financial sector could penalise carbon-intensive sectors that do not show adequate ambition for climate change or that do not meet their climate targets.	Reputational damage caused by climate change could entail: - Reduced project concession. - Increased difficulty in attracting talent. - Reduced access to financing.	2022-2035	NZE	
				STEPS	
			2036-2050	NZE	
				STEPS	
Increase in borrowing costs (market)	The ecological transition can significantly affect the cost of financing: - Financiers are subject to increasing pressure at the regulatory and reputational level to decarbonise their investment portfolio, moving this pressure to the companies in which they invest. - The EU Taxonomy framework may encourage changes in the notions of private investments towards activities that substantially contribute to environmental objectives. - Climate aspects have greater influence when redirecting investment flows or to obtain better credit conditions.	An increase in borrowing costs would entail: - Increased difficulties in implementing certain projects. - A loss of overall profitability in the various activities affected. - Loss of competitiveness in the event of unfavourable relative positioning.	2022-2035	NZE	
				STEPS	
			2036-2050	NZE	
				STEPS	
Increase in prices or decrease in insurance coverage (market)	While extreme weather events increase in frequency, it is expected that they will have a greater impact on insurance companies: - There is an increasing risk that insurance will not cover natural disasters and extreme weather events related to climate change. - Damages caused by climate events are an obstacle to the profitability of the offered policies.	Increase in prices or decrease in insurance coverage would mean: - Increase in insurance contracting costs, which could reduce the profitability of the projects developed. - Increased exposure to the physical risks of climate change, which could entail greater economic losses in the future.	2022-2035	NZE	
				STEPS	
			2036-2050	NZE	
				STEPS	
Increase in the price of greenhouse gas emissions (regulatory)	Emissions or carbon tax trading schemes are tools increasingly used by regulators to decarbonise the economy: - The current trading schemes could be extended to other sectors indirectly affecting ACS, as was the case with the European trade scheme with fuel suppliers in the building and transport sectors. - Emissions or carbon tax trading schemes could be applied in the construction sector that directly affect ACS transactions. - Emissions trading schemes lead to a progressive increase in carbon price. This increase is higher in a global decarbonisation scenario.	An increase in the price of greenhouse gas emissions might entail: - Increased project cost through carbon taxes or other mandatory mechanisms. - Higher cost of offsetting carbon emissions on a voluntary basis.	2022-2035	NZE	
				STEPS	
			2036-2050	NZE	
				STEPS	
Regulation of project specifications and services. (regulatory)	The energy transition may involve changes in project specifications, arising directly from regulation or indirectly through the decarbonisation needs of end customers: - Public procurement can integrate anti-climate change criteria, such as emission reduction and carbon footprint, into its performance catalogue. - Management may require its contractors to publicly disclose climate-related information, such as their decarbonisation targets and climate risks.	The response to the new legal requirements could entail: - A general reduction in the profitability of the business model due to the adaptation of production processes and the value chain to the new specifications. - Loss of profit margin in construction projects.	2022-2035	NZE	
				STEPS	
			2036-2050	NZE	
				STEPS	
Increase in the cost of raw materials (market)	Effective climate change policies and investments in low-carbon technologies could increase the price of raw materials: - In a global decarbonisation scenario, there is a greater risk that fossil fuel prices will increase. - Increased energy cost or a greater effort to decarbonise production processes could increase the prices of Construction materials such as cement and steel. - The placement on the market of substitutes of low-carbon construction materials could make them more expensive.	An increase in the cost of raw materials might entail: - A reduction in the profitability of certain projects. - Loss of competitiveness in the market. - Low supply of low-carbon raw materials that could reduce ACS' ability to respond to calls for tenders with these criteria.	2022-2035	NZE	
				STEPS	
			2036-2050	NZE	
				STEPS	

Code



2. ENVIRONMENT

Assessment of the main opportunities					
Opportunity	Description	Potential impact	Scenario analysis		
Expansion of the market to construct climate change adaptation solutions (market)	Considering the possible impacts of climate change on the future: - The governments of most countries have designed plans to adapt to climate change, which is expected to increase the mobilisation of public and private resources to finance structures and services for adaptation. - Achieving resilience in key infrastructures such as roads, buildings, water, airports, etc. will be necessary.	The need to develop infrastructure resilient to climate change can lead to the following opportunities: - Increased need to construct/develop infrastructure and buildings that contribute to adaptation to climate change. - The need is expected to be global and not only would the number of potential projects increase, but it could also lead to an opportunity to reach new markets/countries	2022-2035	NZE	Very high opportunity
				STEPS	Low Opportunity
			2036-2050	NZE	High Opportunity
				STEPS	High Opportunity
New opportunities related to the electrification of the economy (electricity transport, battery construction) and renewable energy (market)	The deployment of renewable energy and the electrification of the various sectors could involve: - Connecting these new energy sources with companies and consumers will require significant improvements to the existing energy infrastructure. More intelligent and more responsive networks are necessary to ensure that clean energy is sufficiently reliable and flexible to meet future demand. - Storage deployment will also be required and a significant increase in battery development is expected. - In Spain, the increase in renewable energy would increase the added value of the construction sector significantly (from EUR 1,920 million in 2021 to EUR 2,995 million in 2030 as a result of investments in housing refurbishment and the deployment of all the infrastructures necessary to deploy renewable energy or electric cars).	The increasing deployment of renewable energy sources and the commitment to the electrification of the economy could open up opportunities such as: - New projects/tenders to construct the infrastructures for the expected deployment of renewable energy and the electrification of other economic sectors/activities. - Partnerships for R&D development, positioning the Company in new markets and countries.	2022-2035	NZE	Very high opportunity
				STEPS	Low Opportunity
			2036-2050	NZE	Very high opportunity
				STEPS	High Opportunity
Other opportunities identified	Other opportunities identified that could potentially have a significant impact on the Company are: - New opportunities related to the decarbonisation of the transport sector (railways, public transport systems) - Construction/renovation of water infrastructure - Increase in demand for the refurbishment of buildings with energy efficiency criteria - Actions to improve operational efficiency (reduction in water and energy use, innovation in product cycles...)				

Code					
Very high opportunity	High Opportunity	Average opportunity	Low Opportunity	Very low opportunity	

In the area of risks related to climate change, the main risk management and mitigation measures are defined by the commitments and basic principles of action defined in the Dragados Group's Environmental Policy, as well as in the strategic lines and objectives defined in the Dragados Group's Sustainability Master Plan 2025, including the following:

- Implementing a climate strategy to move climate neutrality forward to 2045.
- Reduction in scope 1 and 2 emissions by 2025 and 2030, and progress in measuring scope 3 emissions.
- Strengthening the management of the risks arising from climate change through international methodologies.
- Preventing and minimising environmental impacts through the objective of zero environmental incidents with severe damage and increasing environmental management systems certified under ISO 14001.
- Taking advantage of the new forms of sustainable financing provided by the market.
- Anticipating and complying with regulatory requirements and better reporting standards.

2. ENVIRONMENT

TARGETS AND MONITORING INDICATORS

To ensure compliance with the commitments established by the Dragados Group in relation to climate change, GHG emissions are monitored at all Group companies.

The methodology for calculating the carbon footprint is in the process of continuous improvement and the Dragados Group, adhering to its 2025 Sustainability Master Plan, is improving the scope and quality of the data reported, especially in emissions of scope 3

During 2022, despite the increase in the Dragados Group's activity, Scope 1 and 2 emissions have been reduced in absolute terms by 7.4%. Moreover, in relative terms, i.e. the generation of emissions relative to the level of sales, the intensity level of Scope 1 and 2 emissions is 21.1 tCO₂eq/million euros in 2022 compared to 27.0 tCO₂eq/million euros in 2021, which represents a reduction of 21.9%.

It is very important to consider that, given the size and diversification of the Dragados Group, the evolution of the

Group's activity itself, the mix of projects developed in the year, and the stage of the large projects, may significantly affect the year-on-year performance of the issues in absolute terms.

In Scope 3 emissions, the Dragados Group companies have made a significant effort in terms of reporting to include the emissions generated in employee travel, consumption of construction materials, and waste treatment in this category in 2021 and 2022. The increase in Scope 3 emissions in 2022 is mainly due to increased activity leading to higher material consumption.

For comparison purposes, the data for previous years have been presented once again using the same consolidation perimeter as in 2022. The data for 2021 has also been adjusted with information received after the publication of last year's report. Next is the evolution of the calculation of the Dragados Group's emissions over the past four years.

CO ₂ EMISSIONS (t CO ₂ eq)(**)	2019	2020	2021 (*)	2022
Scope 1: Direct emissions	89,978.9	88,853.3	97,433.9	88,282.6
Scope 2: Indirect emissions	13,671.7	11,321.8	9,739.4	10,924.0
Scope 3: Other indirect emissions	10,828.4	6,169.0	1,085,814.9	1,392,197.8
Scope 3: Business travel	10,828.4	6,169.0	7,092.4	5,613.5
Scope 3: Materials			1,074,385.2	1,382,346.4
Scope 3: Waste			4,337.4	4,237.9
TOTAL CO₂ EMISSIONS	114,478.9	105,140.6	1,192,988.1	1,491,404.5
OFFSETTING CO ₂ EMISSIONS	0.0	-9.0	-244.0	-1,612.0
TOTAL CO₂ EMISSIONS	114,478.9	105,131.6	1,192,744.1	1,489,792.5

(*) Scope 1 and 2 data for 2021 have been adjusted with new information received subsequently.

(**) For the calculation of Scope 1 emissions, the conversion factors provided by Defra (Department for Environment, Food, & Rural Affairs) for the different types of fuels reported in the report have been taken as a general reference. For Scope 2, the conversion factors compiled by Carbon Footprint TM for the different countries are taken as a general reference, except for Spain and Chile, which use the Labelling Guarantees report of the CNMC and the Chilean Ministry of Industry, respectively. In Scope 3, the conversion factors for employee trips, materials, and waste used are those of Defra for each type of transport, material, and waste.

Scope 1 and 2 emissions have a share of sales in 2019, 2020, and 2021 of 70.58%, 81.05%, 87.98%, and 88.77%, respectively.

Emissions related to Materials and Waste have been included in Scope 3 emissions. The 2021 value has been recalculated.

CO ₂ EMISSIONS INTENSITY (t CO ₂ eq / million euro sales)	2019	2020	2021 (*)	2022
Scope 1: Direct emissions	27.2	24.6	24.5	18.7
Scope 2: Indirect emissions	4.1	3.1	2.5	2.3
EMISSIONS INTENSITY SCOPE 1 + SCOPE 2	31.4	27.7	27.0	21.1

(*) Scope 1 and 2 data for 2021 have been adjusted with new information received subsequently.

2. ENVIRONMENT

The Dragados Group continues to work to expand the reporting of Scope 3 emissions, including improvements in measurement and relevant categories in order to be able to set quantitative reduction targets for 2030 in 2025. During 2022, the different companies of the Dragados Group have worked on different initiatives adapted to their activity in order to achieve the rest of the objectives set by the Group in relation to climate change in the Sustainability Master Plan 2025 related to:

- Implementing a climate strategy to anticipate carbon neutrality by 2045.
- Reduction of Scope 1 emissions by 30% by 2030, with an intermediate reduction target of at least 8% by 2025.
- Reducing of Scope 2 emissions by 60% by 2030, with an intermediate reduction target of at least 25% by 2025.
- Extending the boundaries of Scope 3 to include other relevant categories in order to set in 2025 quantitative reduction targets for the year 2030.



2. ENVIRONMENT

OFFSETTING EMISSIONS IN VIAS

In 2022, VIAS calculated the greenhouse gas (GHG) emissions associated with the exercise of its own works in 2021, had them verified by an accredited external entity and entered them in the Registry of carbon footprint, CO2 offsetting and absorption projects kept by the Ministry for the Environmental Transition and the Demographic Challenge,

VIAS achieved a 14.43% reduction in the average intensity of greenhouse gas emissions in the 2019-2021 period compared to the 2018-2020 period, for the 1+2 scope, fulfilling with its commitment to reducing GHG emissions.

In order to help mitigate climate change, VIAS offset 94.17% of the carbon footprint of its own works in scopes 1+2 (1.09% in a national reforestation project and 93.08% in an international hydropower project).

Absorption project registered in "Section b" of the Carbon Footprint, Offset, and Absorption Project Register: Reforestation in the CMVMC in Borela (Pontevedra).

Another of the measures adopted by VIAS in 2022 to mitigate Climate Change is the offsetting of emissions through Certified Emission Reductions (CERs), a process supervised and certified by the United Nations.

This offsetting has been done through the voluntary purchase of 1,530 Certified Emission Reductions (CERs), equivalent to Tn of CO₂, from the "Uttarakhand Hydropower Project", a greenhouse gas (GHG) mitigation project implemented in India, a developing country under the Clean Development Mechanism (CDM). This project not only reduces greenhouse gas emissions, but also contributes to the sustainable development of the country where it is implemented, and is certified by the United Nations Framework Convention on Climate Change (UNFCCC).

In this way, VIAS took another step to achieve carbon neutrality in the future of its direct and indirect GHG emissions from imported energy.

Some of the actions carried out by VIAS to reduce GHG emissions and the offsetting projects in which it participated are described below:

- Efficient driving courses. Techniques and habits to optimise fuel consumption.
- Purchase of green energy. Selection of marketers that produce 100% renewable energy, or obtaining guarantees of renewable origin, granted by the National Market and Competition Commission (CNMC).
- Reuse of excavated natural material and stone waste instead of recovering them outside the work site and providing material.
- Work site implementation of alternative solutions to the project solutions approved by the Customer which represent a reduction in emissions compared to the initial project solution. These actions were basically aimed at optimising construction materials and incorporating materials with low emissions throughout the product's life cycle.
- Use of electric and hybrid vehicles (gasoline-LPG, gasoline-CNG).
- Replacement in conventional lighting work with energy-efficient LED lighting.
- Pilot test in the execution of a residential building work consisting of replacing the standard power generation model (conventional generators) by a more efficient hybrid model of Battery Packs + Stage V generator with motorization. This average lead to a 51% reduction in fossil fuel consumption in the period considered.

2. ENVIRONMENT

In 2022, Dragados Group companies have carried out actions to reduce GHG emissions, with an estimated emissions reduction of 6,697 tonnes of CO₂ through initiatives such as guaranteed renewable electricity supplies, the reuse of materials on site, and the implementation of alternative solutions to those of the project.

Furthermore, the Dragados Group is committed to minimising other emissions besides Greenhouse Gas (GHG), taking into account other polluting gases (NO_x, SO_x or Ozone-depleting substances), noise pollution and other possible nuisances deriving from the activity, such as light pollution.

OTHER AIR EMISSIONS (Kg)	2019	2020	2021 (*)	2022
NO _x	310,393.0	306,113.3	336,017.3	300,365.6
SO _x	383.5	4,506.1	2,134.1	1,282.5
VOC (without methane)	44,748.8	49,437.9	57,346.4	56,081.0

(*) Data for 2021 have been adjusted with new information received subsequently.

SUSTAINABLE CONSTRUCTION

Among the most relevant impacts during the life cycle of the projects is mainly the operation of buildings and the infrastructures delivered to our customers. That is why the Dragados Group has become a benchmark within the sector in the construction of these types of projects.

In 2017, Dragados began to obtain certification for different LEED and BREEAM certified building projects, and in recent years has continued to extend this objective to additional infrastructure projects.

In 2022, the percentage of projects with sustainable certification as a percentage of sales within the Dragados Group reached 21.3%. The construction of sustainable buildings classified as Green Buildings enables a reduction of emissions throughout their life cycle, both during the execution phase of the project (which is carried out using sustainable

materials, work contracts at regional level, etc.) and during the use and maintenance of the buildings. According to a study carried out by the US Department of Energy, LEED-certified buildings consume 25% less energy and 11% less water than conventional buildings, while the Australian Green Building Council's study indicates that Green Star-certified buildings reduce greenhouse gas emissions by 62% and water consumption by 51%. Thus, greenhouse gas emissions avoided by our customers during the use of these constructions with sustainable certification in 2022 has been 41,047 tons of CO₂eq.

In addition, one of the main elements of the R&D departments of Dragados Group construction companies, is the development of new projects for more efficient materials and construction use.

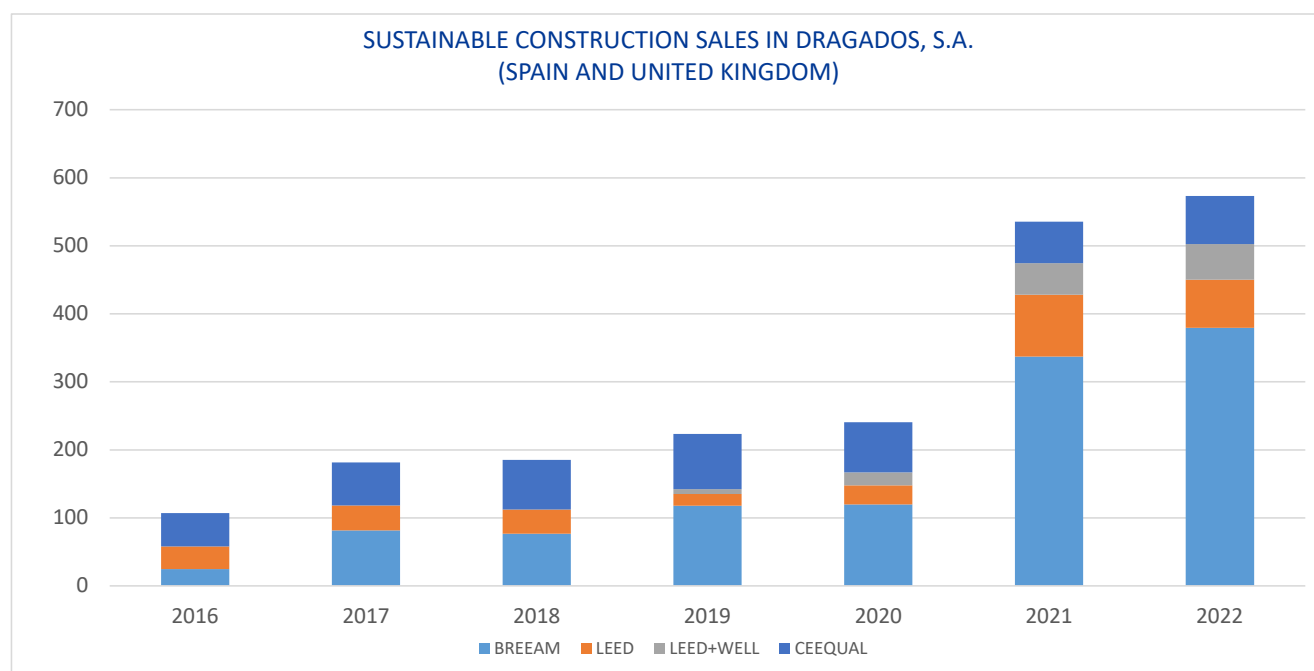


2. ENVIRONMENT

SUSTAINABLE CONSTRUCTION IN SPAIN AND THE UNITED KINGDOM

The number of projects, both construction and civil works, with some type of sustainable certification is growing year after year. In 2022, the Dragados Group had a total of 47 works in progress with LEED, BREEAM, WELL, ENVISION or CEEQUAL certification, the sales figure of which represented 21% of the Group's total sales.

The evolution of the sales of Dragados, S.A. in sustainable construction projects in Spain and the UK continues to grow, placing Dragados as one of the market leaders in this type of construction. It should be mentioned that construction of a hotel with an exceptional BREEAM certification began in 2022.



ENERGY CONSUMPTION

Energy is one of the main resources used by the Dragados Group companies and, as part of the fight against climate change, the Group is committed to energy efficiency and renewable energy.

In this regard, 26.2% of the Group's sales have an energy management system according to the international standard ISO 50001 certified by an external entity. Likewise, 38.9% of the surface area of the buildings used by the companies of the Dragados Group are certified as energy efficient, either by ISO 50001 certification or by other sustainable building certifications (LEED, BREEAM, etc.).

Each year, the Group's energy consumption is determined predominantly by the amount of work carried out during the year with some activities being more energy-intensive, given the Group's high degree of diversity.

In this sense, energy consumption in 2022 has decreased by 10.5% compared to the previous year on comparable terms, essentially due to reduced fossil fuel consumption.

During 2022, Dragados Group companies have consumed 25,926 MWh of electricity from renewable energies sources, which represents 45.4% of the total electricity consumed.

2. ENVIRONMENT

Energy consumption (GJ)	2020	2021 (*)	2022
Fossil fuel consumption	1,269,547	1,424,300	1,251,022
Electricity consumption	160,417	202,336	205,399
TOTAL	1,430,180	1,626,636	1,456,421
ENERGY INTENSITY (GJ / million euro sales)	396.0	409.9	309.3

(*) Data for 2021 have been adjusted with new information received subsequently.

The breakdown of energy consumption by source can be seen in the following table.

Energy consumption by source	2020	2021 (*)	2022
Petrol + Diesel (million litres)	34.23	38.12	33.52
Liquefied Petroleum Gas (million litres)	0.09	0.15	0.95
Natural Gas (kWh)	4,113,522	13,819,425	8,301,059
Biofuel (million litres)	0.02	0.02	0.01
Electricity (MWh)	44,561	56,205	57,056
Electricity from renewable sources (MWh)	18,764	28,441	25,926

(*) Data for 2021 have been adjusted with new information received subsequently.

The different companies that form the Dragados Group are implementing measures to reduce energy consumption by installing LED lighting on construction sites, implementing systems to control and optimise energy consumption, or replacing equipment with those that require less energy.



2. ENVIRONMENT

2.2. CIRCULAR ECONOMY: SUSTAINABLE USE OF RESOURCES AND WASTE MANAGEMENT

USE OF HYPER PILES IN EUSTON STATION (DRAGADOS)

The high-speed railway project High Speed 2 (HS2) is a development in full operation throughout England. Its first phase of which starts in London (Euston Station) and ends in Birmingham (Curzon Station). Dragados and its partners were awarded the design and construction contract for both stations.

Temporary offices will be built for the entire duration of the project for the remodelling of Euston Station. This building (Maria Fidelis Building) will consist of 6 floors and a terrace (5,500 m² housing up to 2,500 workers). An innovative foundation system called HIPER (Hollow Impressed Precast Energy Reusable) piles, "hollow piles", was used. This is the first time that they are used in a structure in use in the world. The shafts inside these piles will serve as a tool to obtain the energy to supply the building during its useful life (providing hot water for sanitary use and heating in the building).

The objectives of using this solution could be summarised as follows:

- Reduction of around 70% of the materials used with respect to conventional piles. An estimated reduction of 280 m³ of concrete and 17,500 kg of steel.
- Reducing the depth of the piles through impressions in the ground to increase shaft resistance (around 40% increase). In the specific case of Euston Station, the depth of the conventional piles envisaged was between 23 and 32 m, and the execution of HIPER Piles has involved piles between 16 and 22 m deep.
- Use of piles as a geothermal tool, the central shaft of which increases capacity by 60% if compared to conventional piles of pipes concreted on site, designed for this geothermal function.
- The possibility of drilling through this shaft in the future, being able to increase the capacity of the structure.
- Building these piles in prefabricated sections, which would give the possibility to reuse these parts when the building reaches the end of its useful life.

The last two objectives are very specific to the use that will be given in Euston Station HS2, as it is a building that will be in use for around 10 years.

Finally, for the foundation of the Maria Fidelis Building, a total of 41 on-site piles and 5 prefabricated piles were built.

Once the piles have been built, all the elements necessary for the operation of the geothermal part are installed. The first step is to fill the central shaft of the pile with water. The GSHP (Ground Source Heat Pump) system weights are then positioned at the bottom of the pile to place the ducts through which the water will be pumped, obtaining the geothermal energy necessary to heat the water of the future offices, which will also be used for heating.

This innovation was an important milestone for both the project and Dragados. Being part of the first installation in the world of this type of pile for a structure in use represents a great opportunity to continue advancing towards several objectives, such as the reduction in the use of materials, the associated cost, and a decrease in the depth of the pile through impressions on the ground. And, of course, the great environmental progress involved in reducing the use of concrete and steel, increasing geothermal capacity, and reducing consumption of other types of energy.

As regards execution in the works, the temporary building serves to identify different points for improvement, both in on-site and prefabricated piles, to improve efficiency in the works and continue to develop procedures for more sustainable construction.

2. ENVIRONMENT

The promotion of a circular model that prioritises reducing and optimising the use of materials and efficient waste management is another one of the priority action areas of the Dragados Group. As such, in line with the ACS Group guidelines, the Dragados Group works to:

- Minimise the impact to use of materials and waste management, taking into account the life cycle of projects and services.
- Promote the use of environmentally responsible materials adhering to the best practices outlined in the ACS Group's Building Materials Policy.
- Give priority to operating models to reduce resource consumption and waste generation, in terms of both quantity and hazardousness.

- Contribute to extending the usefulness of resources, secondary products and waste through repair, reuse and recycling.

CONSUMPTION OF MATERIALS

The Dragados Group encourages the use of recycled and/or certified construction materials, offering the client these types of options at the time a decision is made as to the materials to be used, in accordance with the Construction Materials Policy of the ACS Group that stipulates the guidelines and good practices in this matter.

MATERIALS POLICY

The ACS Group seeks to implement the following best practices in the process of recommending construction materials to clients in tendering processes in which it is applicable:

1. Propose a traceability analysis of 100% of products used.
2. Keep a record of suppliers who offer recycled/certified products.
3. Stress the importance of aspects such as durability and maintenance when selecting construction materials.
4. Provide information about the characteristics of products which give off gases or contain harmful substances and also about the products' life cycles.
5. When making an offer or taking part in a bid to tender, always include the option of certified timber, and offer information on the environmental benefits of its use.
6. When making an offer or taking part in a bid to tender, always include the option of cement made from recycled aggregates, and offer information on the environmental benefits of its use.
7. Provide environmental details of the proposed construction materials, such as energy used by machinery during extraction or treatment, greenhouse gas emissions, etc.
8. Report on the corporate waste management policy.
9. Provide information on waste management plans in projects, including design phases.
10. Give information on specific targets to reduce, recycle and reuse waste.
11. Report on procedures in place for the recovery and recycling of construction materials by subcontractors.
12. Give details of staff and subcontractor training processes in waste management techniques.
13. Provide details of waste separation processes in project facilities and works.
14. Actively promote the purchase and sale of recycled by-products.

2. ENVIRONMENT

In recent years, the ACS Group has made an effort to compile and report the consumption of the main materials used by the Dragados Group.

Concrete, steel, wood and glass are the main materials used by the Dragados Group. During 2022, there has been an increase in the consumption of certain materials associated with an increase in activity, however the Group

continues implementing measures to ensure efficient use of its activities as well as the development of R&D projects focused on this goal.

Similarly, one of the commitments defined in the Sustainability Plan is to promote the optimisation of resources by promoting the durability of construction materials.

Total materials used and percentage of materials recycled	2020	2021 (*)	2022
Total wood purchased (m ³)	9,578	9,576	14,381
Percentage of certified wood	5.9%	12.6%	16.5%
Total steel purchased (t)	109,252	245,536	379,415
Percentage of recycled steel	65.3%	39.2%	43.4%
Total concrete purchased (m ³)	1,796,307	2,214,694	2,202,354
Percentage of cement/concrete with recycled aggregate	0.4%	1.7%	3.3%
Total glass purchased (m ²)	82,413	3,435	1,056
Percentage of recycled glass	0.5%	0.4%	0.2%

(*) Data from companies that did not report last year have been included in 2021. The scope of the 2021 data is 82.79% compared to 80.52% in the 2021 report.

WASTE PREVENTION AND MANAGEMENT

Waste management in the Dragados Group promotes recycling, reuse, or other recovery processes rather than landfill use in order to minimise the waste generated during its operations as much as possible. In particular, the Group works to recover the waste generated during the production process so that it can be reused as raw materials, minimising the impact of the activity on the environment.

Waste is managed by each of the Group's companies in accordance with the regulations in force in each country. The facilities have the corresponding hazardous and non-hazardous waste production authorisations, which allow their registration, inventory, storage and appropriate management.

On the basis of the above waste management prioritisation, the waste is handed over to authorised waste processors.

As with energy consumption, the 2021 waste data has been recalculated to make it comparable to that of 2022 due to the increased scope of indicators.

As such, over the course of 2022, a total of 4,933,886 tonnes of hazardous and non-hazardous waste were generated, which represents a 3.5% increase compared to the 2021 financial year. The increase in waste generated compared to the 2019 baseline comes mainly from the waste generated (soil/rock) due to the increase in the projects with tunnel boring machines for roads or railway projects. It should be noted that these soils are fully reusable as fillers for other projects or for environmental improvement in deteriorated areas.

Waste Volume (t)	2019	2020	2021 (*)	2022
Hazardous waste	2,726	66,774	8,394	5,236
Non-hazardous waste	2,830,047	6,466,459	4,759,925	4,928,650
TOTAL WASTE	2,832,773	6,533,233	4,768,320	4,933,886

(*) Data for 2021 have been adjusted with new information received subsequently.

2. ENVIRONMENT

It should be mentioned that the total volume of waste generated annually is directly related to the type of projects carried out. The large variations occurring happens despite waste minimisation measures promoted year on year by the Group.

The Dragados Group maintains a strong commitment to the circular economy, setting it out as a strategic line of the 2025 Sustainability Plan through the prioritisation of recovery operations and the minimisation of waste not

intended for landfill. During 2022, 71% of hazardous and non-hazardous waste are intended for recovery operations. Finally, during 2022, an effort was made in the waste-related report information in accordance with the highest international standards, presenting the data broken down by method of disposal, whether it is carried out inside or outside of the facilities and presenting for the first time a breakdown of the main types of waste generated.

Breakdown of waste by operations (t)	2021			2022		
	On the premises	Outside the premises	Total	On the premises	Outside the premises	Total
Hazardous waste (t)	107	8,287	8,394	24	5,212	5,236
Waste not destined for disposal by operation	19	206	225	21	468	489
Reuse	6	89	95	5	95	100
Recycling	14	60	74	15	351	366
Other recovery operations	0	56	56	1	22	23
Waste destined for disposal by operation	88	8,081	8,170	4	4,744	4,747
Incineration with energy recovery	0	1	1	0	0	0
Incineration without energy recovery	0	0	0	0	0	0
Landfill	86	8,007	8,094	0	4,468	4,468
Other disposal operations	2	73	75	4	275	279
Non-hazardous waste (t)	1,474,736	3,285,189	4,759,925	715,370	4,213,280	4,928,650
Waste not destined for disposal by operation	1,352,131	2,367,238	3,719,369	496,101	3,000,395	3,496,496
Reuse	152,342	970,685	1,123,027	161,372	1,868,318	2,029,691
Recycling	1,180,616	1,145,777	2,326,393	290,508	852,135	1,142,643
Other recovery operations	19,173	250,776	269,949	44,221	279,942	324,163
Waste destined for disposal by operation	122,605	917,951	1,040,556	219,269	1,212,885	1,432,154
Incineration with energy recovery	0	6,600	6,600	0	580	580
Incineration without energy recovery	0	0	0	0	0	0
Landfill	118,067	894,813	1,012,881	219,264	1,210,081	1,429,346
Other disposal operations	4,538	16,537	21,075	5	2,223	2,228

2. ENVIRONMENT

The Dragados Group is beginning to collect the information on waste by composition. Information for 2022 is presented as there is no comparable data from 2021:

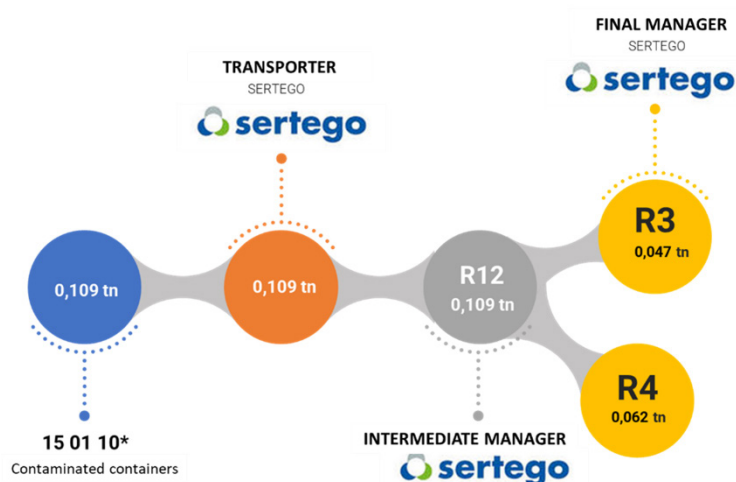
Total breakdown of waste by composition (t)	2022		
	Waste not destined for recovery	Waste for recovery	Waste generated
TOTAL	1,432,154	3,496,496	4,928,650
Soil	1,049,374	3,062,786	4,112,160
Mineral waste	78,507	318,603	397,110
Construction waste	187,079	95,815	282,895
Other	117,194	19,291	136,485

ZERO WASTE (DRACE GEOCISA)

Once the works to modernize the Sagunto Factory were completed and, taking into account the achievements and excellent results obtained in implementing the Waste Management Plan established in the verification and certification based on Zero Waste, with a verified recovery value of 98.86% of the waste generated in these works, it was agreed that the criteria and methodology implemented in these actions will be extended and developed to adapt and implement them in the normal activity of this site, which consists of the execution of various models of railway sleepers.

To this end, this process was initiated in 2021 with the update of the Waste Management Plan of the site and subsequent implementation of it, for which the waste inventory was identified and updated, as well as the various treatment operations for each of the waste generated, including the traceability to the final destination of all waste.

The following are examples with infographics of the quantities and processes used to process any of the waste generated:



In 2022, the verification audit was carried out to verify the results of the implementation of the Waste Management Plan, which recorded the milestone of a 99.77% percentage of waste recovered.

2. ENVIRONMENT



2.3. EFFICIENT AND RESPONSIBLE USE OF WATER RESOURCES

Aware of the significant role water plays in its activities, the Dragados Group promotes the rational use of water in its activities and develops desalination, potabilisation, and water treatment infrastructure that contributes to guaranteeing access to drinking water and to improving the quality of water discharged.

The management and monitoring of these indicators allows the group's companies to identify the projects or areas where the use of water generates a greater impact on the environment, with the clear intention to carry out their activities in a sustainable and environmentally friendly manner.

2. ENVIRONMENT

The activities carried out by the Dragados Group are associated with significant water consumption, and in 2022, total water consumption reached 381,873 m³.

Breakdown of water (withdrawal/discharge)	2021 (*)	2022
TOTAL WATER WITHDRAWN (m³)	5,834,429	5,457,495
Volume of water withdrawn from surface water (rivers, wetlands, lakes)	326,599	350,996
Volume of water withdrawn from groundwater	2,429,444	3,582,037
Volume of water withdrawn from third parties (municipal network, processing plant, or public or private service)	3,076,756	1,522,345
Volume of water withdrawn from marine waters	1,629	2,117
Total water withdrawn in water stress areas (m³)	3,239,269	1,330,961
Volume of water withdrawn from surface water (rivers, wetlands, lakes) in water stress areas	3,949	40,438
Volume of water withdrawn from groundwater in water stress areas	714,675	372,386
Volume of water withdrawn from third parties (municipal network, processing plant, etc.) in water stress areas	2,520,645	918,020
Volume of water withdrawn from marine waters in water stress areas	0	117
TOTAL WATER DISCHARGED (m³)	5,219,851	5,075,621
Volume of water discharged into surface water (rivers, wetlands, lakes)	4,023,797	3,949,515
Volume of water discharged into groundwater	374,414	347,584
Volume of water discharged into third-party waters (municipal network, processing plant, or public and private services)	787,644	683,264
Volume of water discharged into marine waters	33,996	95,259
Total water discharged in water stress areas (m³)	3,160,028	1,245,047
Consumption (m³)	614,578	381,873
Ratio: m ³ of water consumed/turnover (millions of euros)	154,9	81,1
Water withdrawal in water stress areas (m³)	79,241	85,913

(*) Data for 2021 have been adjusted with new information received subsequently.

In this sense, the Dragados Group companies have adequate measurement systems that provide detailed knowledge of the main sources of consumption. This information allows to develop the most appropriate efficiency measures in each case.

The Dragados Group recognises the need to optimise and reduce the consumption of this natural resource, especially in water-stressed areas. As a result, the Group began monitoring water consumption in these areas in 2019,

with total water consumption in these areas amounting to 85,913 m³ in 2022.

It should also be noted that the Dragados Group carries out an exhaustive control of the quality of the water it discharges into the natural environment to ensure that the discharges do not produce significant effects on the environment, always complying with the provisions of local legislation as a minimum.



2. ENVIRONMENT

2.4. BIODIVERSITY PROTECTION

The Dragados Group's activities are likely to affect the natural environment as it operates in all types of locations and settings where a multitude of ecosystems may coexist. In this context, the company always tries to minimise the impact of its activities on biodiversity, paying special attention to protected natural areas and high environmental valued areas.

As a result of this commitment, the Group carries out its activity according to the following basic principles of action in the area of biodiversity:

- Apply the hierarchy of mitigation of impact on ecosystems by means of prevention, reduction, restoration and compensation actions.
- Implement management plans to preserve or restore biodiversity in activities or services that have a significant impact on ecosystems.

In this sense, during 2022, the Group carried out activities on 627 hectares of land considered to be of high biological value, activities that have specific plans and objectives to minimise their impact.

The Dragados Group has proven measures that ensure the conservation of plants and wildlife from the start of planning of the operations to the end.

These measures are based on:

- a. Physical protection, transplanting or transfer, and respect for the life cycles of the plant and animal species affected.
- b. Environmental impact studies, which identify the main effects on the natural environment of the projects and establish actions to minimise them. Public participation in procedures to approve these projects is guaranteed by the national and regional legislation in each of the countries where they are performed.
- c. Supervision plans which guarantee compliance with the preventive measures and reduce the impact of projects and processes not subject to environmental impact assessments.
- d. Compensation, restoration, recovery and reforestation activities. During 2022, the Dragados Group carried out restoration work on 81.2 hectares.



2. ENVIRONMENT

CARE FOR AVIAN FAUNA ISABELLA LAKE DAM (DRAGADOS)

In the Dragados Isabella Lake Dam Safety Modification project, special care is being taken to preserve the avian fauna and its habitat. To achieve this, a specific Biological Resource Protection Plan has been developed to implement various measures to avoid and protect biological resources.

These measures were grouped into different categories:

1. Protection of existing vegetation and biological resources
2. Fish trapping prevention
3. Nesting and breeding birds protocol

Focusing on the latter, a key measure that the Dragados environmental department has implemented is to have an avian biologist in the team, who is in charge of identifying active and inactive nests with nesting studies prior to construction and weekly studies of birds nesting during construction.

Together with studies prior to construction and monitoring during construction, Dragados has a team lead by the biologist that identifies and implements preventive measures to deter birds from using active construction areas as nesting sites. Some prevention measures include: removing the initial materials from the nest, placing networks in construction equipment and materials when they are not in use, covering the open pipes, installing deterrents such as reflective/predatory lures and installing active noise generator construction areas. In addition, waste is removed daily to remove potential sources of attractive food for birds and wildlife.

If an active nest is identified in any activity, a suitable noise buffer is installed to reduce or avoid discomfort to nesting birds. In these cases, the nest is monitored until the chicks have grown, to ensure that they do not abandon it.

All employees have received training to report any possible finding of nests to the Project's Avian Biologist or the Environmental Manager and to avoid active nests.



2.5. RISK MANAGEMENT IN ENVIRONMENTAL ISSUES

Dragados supervises environmental performance and carries out appropriate action plans and improvement programmes, as well as the adoption of the necessary measures to reduce the environmental impacts related to the Group's activities, always following the principles established in the Dragados and ACS Group's Environmental Policy.

This takes into account the results of the risk map and the materiality analysis, which was reviewed in 2022, prioritising risks according to their relevance and the impact they may have on the company's business activity and applying the measures set out therein.

2. ENVIRONMENT

The environmental issues, their associated risks and opportunities, and the measures for their appropriate management are detailed below:

ISSUE	POTENTIAL RISKS	DETECTION, PREVENTION, MANAGEMENT AND MITIGATION MEASURES	ASSOCIATED MANAGEMENT INDICATORS
Climate change: transition to a low-carbon business model	Companies face the need to design appropriate strategies to address climate change. While most companies focus on the risks associated with climate change, some seek to identify and take advantage of the business opportunities associated with this global challenge. The ACS risk map identifies the specific risks related to climate change (physical and transition risks) based on the relevance they may have for the development of the company's activity. Risks - Increase in cost overruns - Reputation risks - Regulatory restrictions and sanctions	The Environmental Plan and the Group's Sustainability Master Plan define the commitments and objectives for emissions reduction and use of resources. ACS' Board has overall responsibility for the climate change strategy through the Audit Committee, which is responsible for monitoring the ACS Group's sustainability policy. In 2021, the ACS Group set targets linked to the variable remuneration of the Executive Directors in relation to performance on climate change. Each company is responsible for keeping an inventory of emissions, identifying main sources and developing initiatives to reduce them. The Group offers its customers construction products and services that help to promote the transition to a low carbon economy.	Decrease in emissions reaches 1 + scope 2 of a 4.3% with respect to the Sustainability Master Plan baseline year (2019). Increase in the calculation and reporting of scope 3 emissions, including in all areas emissions related to the consumption of construction materials, waste, travel and other emissions arising from the value chain. Renewable energy consumption: 45.4% of the total. Development of business opportunities such as Green Building projects. In 2022, the Group continued with the evolution of its reporting model to communicate information on risks and opportunities related to climate change following the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), and the implementation of measures and initiatives to achieve the targets set in the 2025 ACS Group's Sustainability Master Plan for climate change mitigation.
Circularity in the procurement of construction materials and in waste management	The incorporation of the concept of circularity into the production model makes it possible to reduce the intensive use of natural resources and the high pressure on the environment. Likewise, the optimisation of resources increases operational and financial efficiency, in addition to reducing the waste generated. Related risk Map of risks Environment and circular economy. Risks: - Failure to comply with the ACS environment policy - Reputation risks - Statutory breach - Inefficient use of raw materials or conflict minerals	The Environmental Policy and the Group's Director Sustainability Plan establish the commitments to encourage the use of recycled construction materials, their durability and efficient waste management. The promotion of promote life cycle analysis in infrastructure and building projects was included within the Sustainability Master Plan. Maintaining a waste rate for recycling in excess of 80%, and measures to encourage the use of recycled materials were also established.	Dragados Group companies participate in various R & D projects related to the durability and efficiency in the use of construction resources and materials. Waste rate (hazardous + non-hazardous) destined for recovery in 2022: 71%
Environmental management	Companies have a dual relationship of reliance and impact on the natural environment. Therefore, the mitigation of impacts on biodiversity and natural resources is indispensable during the development of the Group's projects and operations, establishing an assessment of ecosystem services that affect the company. The conservation and protection of biodiversity has become one of the main environmental challenges faced by companies. The natural environment is one of the main allies in the fight against climate change, in addition to being a support for the economy, providing the natural resources on which the company's activity is based: Risks: - Loss of ecosystem services - Reduction in economic growth - Statutory breach - Litigation and environmental sanctions	- Continuously improve the environment, implementing an environmental management system to ensure compliance with policies, setting and monitoring objectives. - Assess the potential risks to the environment in each of the phases of a project, work or service, with the aim of designing processes that make it possible to minimise the environmental impact. - Promote training and awareness of employees in environmental aspects. - Promote actions aimed at increasing awareness among clients, value chain and society in general. - Carry out all activities of the Dragados Group under environmental legislation.	In 2022, 87.1% of Dragados Group operations were certified under ISO 14001. The environmental management systems are verified by an external third party in companies representing a 100% the Group's turnover and, in 2021, 390 environmental audits. In 2021 there was one significant infringement of environmental legislation and regulations which is understood as non-compliance that entails a fine greater than EUR 10,000 The Dragados Group companies manage environmental risk coverage through different systems depending on their activity and geographic area and using their own environmental management systems.
Sustainable and resilient infrastructure	The risks arising from climate change, the scarcity of natural resources and the state and social context of the territory increase the demand for sustainable infrastructure. Since a significant percentage of GHG emissions come from buildings, developing more energy-efficient infrastructure contributes to climate change mitigation. The design and execution of resilient infrastructure, in addition to granting recognition and leadership, make it possible to provide safer services that better withstand extreme weather events and mitigate the effects of natural threats on society and its economy. Risks: - Loss of competitiveness - Physical risks arising from climate change - Reputational damage - Loss of profitability	- The Dragados Group, through its different activities, provides services that help create more efficient and sustainable infrastructure and cities - sustainable construction, construction of public transport systems, traffic management services, etc. - Dragados offers customers the use of recycled and/or certified construction materials. The projects of Dragados comply with different sustainable construction certification requirements, and CEEQUAL and ENVISION, in terms of efficient infrastructure. - In the Dragados Group companies, one of the fundamental pillars of the R & D area of the construction companies is the development of new projects and materials that increase the resilience of infrastructure and that make it possible to cope with the increasingly extreme weather changes resulting from climate change, in addition to the reduction of these construction materials, and their reuse and use. - Develop biodiversity policies and environmental studies to minimise impacts on the business areas.	- Development of Green Building projects: 47 underway in 2022 by Dragados. - Sales of sustainability-certified projects in 2022: EUR 1,129 mn €.

3. PEOPLE IN DRAGADOS GROUP

3. PEOPLE IN THE DRAGADOS GROUP

Dragados is one of the world's largest and most promising groups in the construction sector. It specialises in studying, designing, and constructing civil infrastructure and buildings, with special attention to infrastructure that is more unique due to its technical complexity, construction procedure, or high degree of specialisation.

In the Dragados Group, we firmly believe that the distinctive value of our Company is based on the quality of its team. The professional and personal diversity of our employees provides a better response to the growing demands of the market, through dynamic and enterprising management.

Dragados Group applies HR management techniques to retain the very best professionals. Each company in the Group implements its own HR policies in line with its activity and specific needs; all of these policies are complementary and follow common guidelines:

- Attracting, retaining, and motivating talented people, focusing on improving their level of responsibility.
- Promoting a corporate culture and values with which our employees can identify.
- Encouraging teamwork and quality control as tools to drive excellence in the quality of work done well.
- Guaranteeing equal opportunities, diversity, and inclusion.
- Supporting and expanding training and apprenticeships.
- Promoting R&D activities to improve processes, products, and services.

At year-end 2022, Dragados Group had 8,818 employees around the globe, of which women accounted for 16.61% and men for 83.39%.



3.1. PROFESSIONAL DEVELOPMENT

As reflected in our Human Resources Policy, the professional and human quality of the team is one of the greatest competitive advantages that allows the company to stand out on the market.

One of the Guiding Principles of this Policy champion attracting and retaining the best professionals, supporting their

development, and maximising their skills, attending to their concerns and interests, and offering fair and competitive compensation.

In a constantly changing, flexible world like ours, companies are forced to adapt quickly to the demands of society. The creation of value, attraction, project sustainability, reten-

3. PEOPLE IN DRAGADOS GROUP

tion, and professional development are fundamental pillars for the success of an organisation.

During the year 2022, the Dragados Group continues to be committed to attracting and retaining young professionals and their development through the already consolidated and highly valued Training and Development Programme for Young Talent. In 2022, within this programme, 130 young people have joined the programme on Dragados Group's most significant national and international projects.

This project incorporates recent graduates with an Enabling Master's Degree in Civil Engineering and Industrial Engineering, as well as graduates in Civil, Building, and Industrial Engineering, and graduates in Business Administration and Management or equivalent degrees depending on the country. It is a learning and development opportunity, with a specific training plan, mentoring, assessment, and construction site experience.

This programme, which was implemented in 2014 with the incorporation of the first Young Talent profiles in Dragados Spain, has been progressively expanding its scope internationally. In 2017, it was implemented in Dragados USA and Canada, and in 2020, it began its development in countries such as the UK, Chile, Poland, and Argentina.

The duration of the Programme in Spain is 6 years for young talent with a Master's or Bachelor's degree in engineering, and 4 years for graduates in Business Administration and Management. In the group's foreign companies, the duration of the programme is 3 years for all young talent. Once their participation in the Programme is over, they continue their professional career within the group.

The programme includes 300 participants, 198 of whom are working on national projects and 102 on international projects.

2022 YOUNG TALENT PROGRAMME

	New additions 2022		Total December 2022	
	Engineers/similar	Economists	Engineers/similar	Economists
Spain	54	17	162	36
USA	29	2	45	4
Canada	9	1	22	1
UK	0	2	3	2
Poland	6	3	9	3
Chile	0		1	3
Argentina	7		9	
	105	25	251	49
	130		300	

3.2. DRAGADOS GROUP EVALUATIONS AND TALENT

Obtaining information that will help attract and retain Talent (external and internal) is fundamental for the Dragados Group. Each Group company manages the development of this independently, adapting it to the specific characteristics of its activity.

For example, in Dragados USA and Canada, annual evaluations are carried out that affect the entire workforce, providing opportunities for staff to engage in their own development. These evaluations help in making decisions regarding potential internal staff transfers and in setting up tailored training and development programmes. It also allows to retain and consolidate the company's talent, anticipating company needs and employees' expectations.

Dragados' Evaluation and Talent Plan is another example. Its aim is twofold; on the one hand, to raise awareness about the professional situation of newly hired young workers in order to respond to their professional concerns and

expectations and, on the other hand, to identify internal talent as they gradually gain experience. Assessing this group also enables us to adjust the specific plan designed for them to suit their training needs.

Each participant is assigned a tutor who will mentor them throughout the learning process. Dragados' Human Resources Departments are responsible for monitoring these employees. Regular assessment is carried out by means of questionnaires and personal interviews. These interviews are based on open-ended questionnaires covering skills and specific questions on training, experience, professional and geographical interests, and motivation.

Following evaluations throughout the year, we obtain a wide range of information that enables us to make decisions regarding staff mobility, career development, and promotions.

3. PEOPLE IN DRAGADOS GROUP



3.3. TRAINING

One of the Dragados Group's priorities is the development of its professionals, strengthening their skills and abilities, improving their employability through specific training plans in each country.

Employees are offered general training as a means of developing individual talent in all its aspects and specialised training in the sector to form the best teams of professionals.

Training responds to the continuous demands of business and society, fostering a commitment between the company and the workforce.

These training plans are updated annually and are adjusted to the local needs of each company in the Group. Internal and external audits are carried out on an annual

basis, thus ensuring an optimal level and a continuous improvement process for the programmes.

Virtual and online training continued to play a major role as a training modality. In 2022, part of the training has already started to be delivered face-to-face.

Of particular note are the courses in the area of Occupational Health and Safety, Compliance, Human Rights, and the Technical department. Courses related to sustainable construction certifications (BREEAM, LEED, and Passivhaus), the quality management system and BIM (Building Information Building) have been given.

In 2022, over 187,000 training hours have been carried out.

TRAINING	2021	2022
Total training hours	172,678	187,992
Total number of hours of training given to men	132,687	140,653
Total number of hours of training given to women	39,991	47,339
Total number of training hours taught to graduates and mid-level graduates	114,069	129,678
Total training hours for NON-certified technicians and administrative personnel	19,719	20,680
Total training hours taught to other personnel	38,890	37,634

The courses given are evaluated on the basis of the information generated through different surveys measuring participant satisfaction, content suitability, and practical application in the workplace, among other indicators. In this way, we assess the effectiveness of the training programmes.

At Dragados, the general satisfaction index with the training actions in 2022, according to the participants' assessment, is 3.5 (out of a maximum value of 4).

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3.4. DIVERSITY, EQUAL OPPORTUNITIES, AND INCLUSION

All the companies forming part of the Dragados Group promote a culture of inclusion, diversity, and equal opportunities that guarantees the respect and protection of Human Rights in their field of activity.

The Dragados Group is committed to the principles of the United Nations Global Compact and Respect for Human Rights. It always guides the decisions in compliance with the applicable legislation, avoiding and remedying the negative impacts that may result from its own operations and business relationships.

The Group's relationship with its employees and their relationship with each other is based on compliance with, inter alia, the following commitments:

- **Equal opportunities and non-discrimination:**

The Human Resources policy, published in November 2021, is in line with framework and respects the Human and Labour Rights recognised by various international organisations, as well as the commitments set out in the Code of Conduct. This policy is underlined explicitly in one of the Guiding Principles:

- To guarantee equal opportunities, without any discrimination on account of age, sex, religion, race,

sexual orientation, nationality or disability or any other circumstance or condition of a social or individual nature.

- In Dragados Group, personnel recruitment and promotion policies in no case involve discriminatory practices, and any form of harassment in the workplace is absolutely forbidden. Should any of these occur, the response from the company will be robust.

- **Eradication of forced or child labour**

Dragados Group undertakes the obligation that none of its branches and subsidiaries in other countries and none of its contractors engage in practices involving the use of forced or compulsory labour or child labour.

- **Diversity and inclusion**

It should be noted that the broad international presence makes up a multicultural team in which professionals of different races, ethnicities, ages, nationalities, languages, education, skills, religions and gender come together, which enables the company to successfully face the global challenges it faces on a daily basis.

The business understands the importance of local rootedness and, consistent with its purpose of promoting local

3. PEOPLE IN DRAGADOS GROUP

development in the communities where it operates, our company promotes direct hiring of local employees and managers. In fact, more than 99.9% of the Group's employees belong to local communities in which they operate.

The Group's commitment to these principles is firm and ongoing, and is reflected in the following points:

- Adopting the following priority objectives in the area of Diversity / Gender Equality in accordance with the Dragados Group's 2025 Sustainability Plan:
- Increase the number of women in senior management positions by 25% compared to 2019.
- The number of women in decision-making positions in 2025 should represent 20% of the total number thereof.
- In terms of gender, 100% of the Group's companies have adopted measures to promote equal treatment and opportunities for men and women.
- In this sense, Dragados España collaborates with various Foundations and Associations in order to fulfil these commitments in the area of volunteering. Specifically, a project is being carried out with the Escuela de Fortalecimiento de la Fundación Integra. In the United States, we collaborate with various associations that support socially excluded people, and in Poland and Spain, we carry out campaigns to collect toys and food.

- All Group employees are covered by protocols against sexual harassment.
- Measures have been adopted throughout the Group's companies to ensure equal opportunities and avoid discrimination in selection processes for any job position.

During the 2022 financial year, the percentage of women that occupied Executive/Management positions remained above 17%.

In December, the 3rd Equality Plan of the Dragados Group was signed. The main new features are as follows:

- Development of a Female Talent Detection Programme.
- Establishment of a leave of absence of up to 4 years to care for each child, exceeding the legal limit of 3 years.
- Leave of absence for 1 month, with job reservation, in certain family situations.
- In the case of women who are victims of gender-based violence, female workers who request it are granted paid leave of up to 1 month, and are granted aid and loans in cases where there is a change of residence for this reason.



3. PEOPLE IN DRAGADOS GROUP

3.5. WORK PLANNING AND WORK RELATIONS

In all the Group's work centres, we continue to adapt rigorous prevention measures to ensure the continuity of activity and the physical and mental health of our employees, as well as to promote the reconciliation of personal and professional life.

PATERNITY / MATERNITY	2021	2022
Number of paternity leaves	172	127
Number of men who returned to work after paternity leave	167	117
Number of maternity leaves	41	36
Number of women who returned to work after maternity leave	36	29

Among the measure that exemplify this interest, of particular note is that Dragados S.A. offers 1 hour of daily breastfeeding with the possibility of accumulating it over several days, or a reduction in working hours that is calculated annually rather than on a daily basis.

Dragados USA improves on the time established by law for maternity and paternity leave, complementing salary up to 100%.

The Dragados Group is aware that knowing the opinion of its staff allows it to detect areas of attention and create strategies for transformation and improvement, which have a positive impact on the company and its human capital. For this reason, in 2022 and in the first quarter of 2023, surveys were conducted among all employees in order to gather information on their perspective and perceptions of different aspects of the organisation.

The Dragados Group fully collaborates to promote human and labour rights recognised internationally, and respects and protects its professionals trade union freedom and the right of its professionals to join trade unions.

The percentage of employees in the Dragados Group who are members of trade unions in 2022 is 20.73%, while in Spain, 100% of employees are covered by the collective bargaining agreement applicable in their sector and geographical area. These collective bargaining agreements establish minimum notice periods for significant operational changes established by law for any change affecting the rights or working conditions of employees, on an individual or collective basis, and are rigorously complied with by Dragados Group.

In addition, Dragados has an Ethics Programme through which any employee or third party who wishes to make a query related to the Code of Conduct, Policies, or Regulations, or has knowledge of a breach thereof, or of any unlawful act committed in the Company, whether criminal, antitrust, or of any other nature, can inform the company with full guarantees and without fear of suffering any retaliation.

Another consolidated measure in Dragados Group is the Life and Accident insurance offered to its employees. The Human Resources Departments are responsible for ensuring compliance with all obligations regarding social benefits; these may include the contracting of Life, Accident, and/or Health insurance depending on the different national and international locations in which the Dragados Group operates.

In addition to the obligatory measures established by law in each country concerning social security, employees are offered diverse options to improve upon them.

At Dragados España, all employees with an indefinite employment contract are covered by Life and Accident insurance policies in addition and complementary to those included in the labour legislation and Collective Bargaining Agreements applicable to each sector and geographic region. Employees have the option of purchasing private health insurance as part of a Flexible Compensation Programme (SALARIFLEX). This voluntary programme allows access to clinics and doctors not covered by Public Health Care, with better price conditions by belonging to a large group, in addition to enjoying tax benefits.

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All employees working outside Spain due to the group's needs are covered by health insurance policies that cover the employee and their family members who have moved with them abroad, also covering possible repatriation expenses in case there is an accident outside the working environment.

In subsidiaries that operate in the United States and Canada with Social Welfare Systems not covered by Govern-

ment programmes, the local Human Resources Departments cover these services for employees through Health Insurance that offer different insurance and coverage alternatives through pension planes such as the 401K plan in the United States, which lets U.S. Subsidiary employees decide which scheme they would like to use for their retirement plan contributions.



4. HEALTH AND SAFETY AT WORK

4. WORKPLACE HEALTH AND SAFETY

Ensuring occupational health and safety in all Dragados Group companies is one of the pillars of the company's strategy. Each of these companies and the Group in general maintain the commitment to reach the most demanding standards in this area and so become a reference in health and safety protection, not only for its own employees, but also for its suppliers, contractors and collaborating companies.

Dragados Group is firmly committed to implementing a positive preventive culture in which Health and Safety plays an important and central role for those who belong to the organization, with the aim that all employees should return home every day in the same conditions in which they came to work. This positive preventive culture is materialized through the Safe and Healthy strategy and is monitored through a set of indicators common to

all Dragados Group companies, thus making it possible to measure their performance in Health and Safety. Our performance indicators do not only measure negative results linked to the accident rate of the companies, but we also measure proactive indicators that provide an idea of the companies' commitment to Health and Safety-leadership visits, Health and Safety training, improvement actions, among others- and allow for continuous improvement and for establishing global strategies and campaigns.

As part of this commitment, investment in occupational health and safety amounted to 1,021 euros per employee during the 2022 financial year. This means that in 2022, the first year without significant investment in COVID 19 measures, investment increased by 6% compared to 2019, the last pre-pandemic year.

	2019	2020	2021	2022
Investment in health & safety (millions of euros)	23.04	25.05	27.74	21.73
Expense per employee (euros)	963.5	1144.8	1274.4	1021.0

While each group company operates on an independent basis and has its own action plans, common principles are followed in managing the health and safety of employees and other stakeholders:

- Compliance with the current regulations on occupational risk prevention and adoption of other more stringent measures in accordance with the requirements voluntarily agreed upon.
- Integration of occupational risk prevention into all activities and at all levels through proper planning and implementation.
- Ongoing improvement in health and safety management systems, including the performance of the actions necessary to protect employees and third parties in the facilities of each of the companies.
- The development of awareness-raising, consciousness-raising, and ongoing training initiatives in occupational health and safety aspects for people working in the group, as well as for contractors and suppliers.
- Investment in the material resources necessary to achieve the objectives set for the prevention of accidents at work.
- The promotion of communication, consultation, and active participation of personnel and, where they exist, their representatives, on Health and Safety aspects as an essential aspect in the implementation of management systems.
- Cooperation with customers, contractors, suppliers, specialised organisations and other stakeholders in health and safety matters as a key factor for the correct identification and management of prevention risks.

4. HEALTH AND SAFETY AT WORK

For the purpose of ensuring effective Health and Safety management, 100% of Dragados Group's companies have put in place Health and Safety systems in the workplace. In order to guarantee their proper implementation and management, in companies covering 100% of the Group's employees, the Health and Safety systems are subject to periodic reviews conducted by internal and external audit teams. In this regard, throughout 2022, 100% of the group's companies maintained their respective ISO 45001 certification. Management system certification is one of the key objectives of the ACS Group's 2025 Sustainability Master Plan, and Dragados Group companies keep 100% of the workforce covered, thereby making a definitive contribution to achieving said Plan's objective.

The Group companies have their own health and safety management systems and their activities include the following procedures:

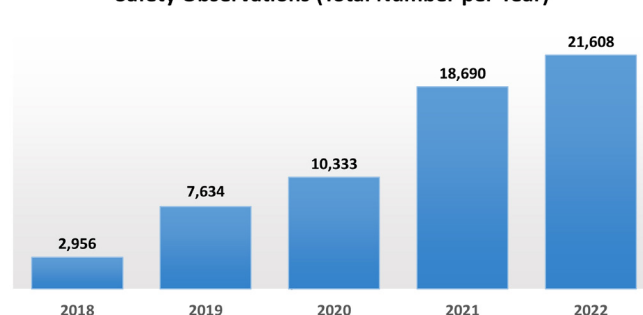
- Periodic assessment of the risks to which individuals at our work centres and construction sites are exposed.
- Definition of risk prevention plans with formal objectives that are both quantitative and qualitative, that allow performance evolution to be measured objectively and incorporate improvements identified in evaluation processes.
- The integration of action plans to respond to situations of risk.
- Processes for the identification and recording of situations that could have led to an incident (near-misses), as well as procedures for the investigation of incidents.
- Workers' and managers' remuneration is linked to compliance with formal health and safety targets.
- Programmes for periodic reviews and implementation, where necessary, of appropriate mitigation and monitoring measures for risk reduction.

Likewise, occupational health and safety management systems include processes for workers to report occupational hazards or situations that they observe during their activi-

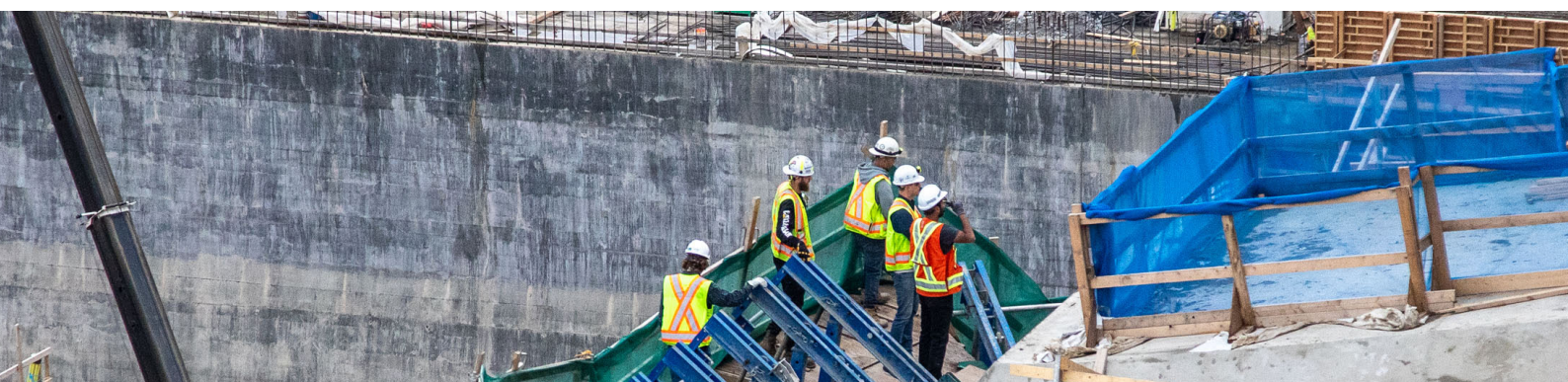
ty. These channels allow ORP teams, as part of the ongoing improvement process, to assess new risks and implement the measures necessary to prevent and manage them, and the organisation has the opportunity to learn from its own achievements and mistakes in order to implement changes to improve safety conditions.

This way, workers are actively encouraged to engage in occupational safety and health, through, for example, the use of the so-called "Blue Cards" in Dragados, designed for workers to report hazards, incidents, good practices, proposals for recognition or any other matter aimed at improving the safety and health of people. Or through surveys among workers who contribute most to prevention, as in Dragados USA or in Pol-Aqua. The latter is currently implementing a programme to improve the reporting of "near-misses" through recognition of those areas that best report them.

Safety Observations (Total Number per Year)



An example of the degree of consolidation of this positive culture within the Group's companies is the indicator that shows the number of Safety Comments reported by reported by the people working on our sites and in our workplaces. Like other leading Indicators, this indicator is monitored and compared to its target. During 2022, this indicator has grown significantly, demonstrating the importance given by the Group of companies to health and safety communications. It also indicates the success of the measures to improve and facilitate the flow of information. The annual performance of this indicator demonstrates the commitment of the people and of the company to detect and eliminate risks and to continuously improve.



4. HEALTH AND SAFETY AT WORK

USE OF NEW TECHNOLOGIES IN DRAGADOS TO PREVENT ACCIDENTS

Heat bracelets

A control bracelet is used to prevent the heat stroke in particularly exposed workers. This bracelet uses innovative, proven and patented technology by Biodata Bank. This is a personal continuous detection device with a sensor that estimates the amount of accumulated heat and dissipated by the human body.

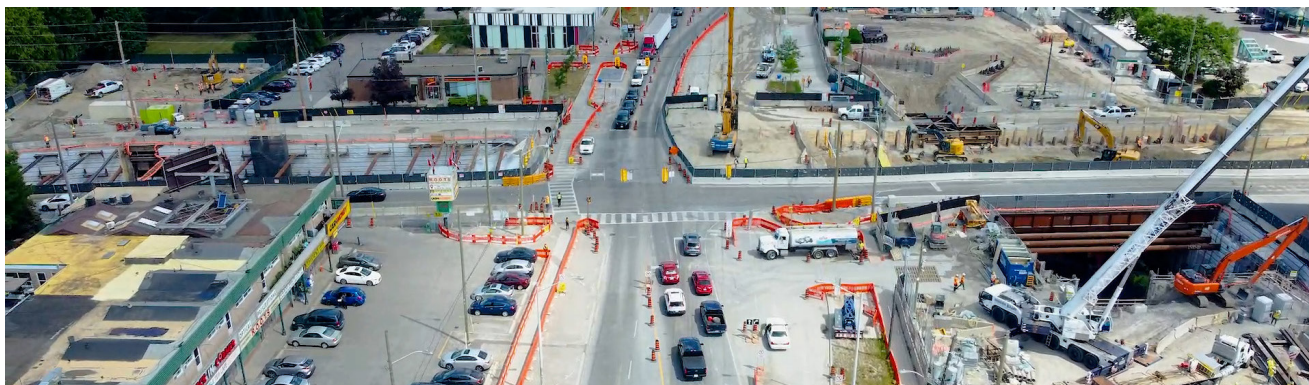
The alarm will be triggered if there is a risk of hyperthermia, increased body temperature, warning the worker with a visual and sound alarm, of the need to hydrate, rest and shadow until the alarm is deactivated (approximately 5 minutes).

Exoskeletons

Injuries related to overeffort and repetitive movements are one of the most common pathologies in construction. To prevent them, Dragados has launched a pilot programme based on the use of exoskeletons.

The exoskeleton is an element that is worn by the individual and is aligned with shoulder movements, reducing the effort made by the arms and improving posture. To adapt to the task, the level of assistance can be adjusted easily and without removing the device.

The exoskeleton assists the person wearing it through the use of pre-charged springs and does not need batteries or engines, which increases its availability. In addition, it is easy to put on and remove since it is light and not bulky.



Use of drones

Use of air drones to monitor the progress of the works and identify dangerous conditions, especially management of traffic and subcontractor activity. They can be used to supervise the workplace layout and if the works are being carried out as planned.

A licensed drone pilot flies over the work areas scheduled for inspection and observes the work activities following a schedule like a normal aircraft pilot. The video is analysed on the same day, in most cases by third parties, to avoid privacy problems.

The authorised pilot must also have knowledge of mechanics and be well trained, since the drones may malfunction or crash. The use of drone cameras to monitor the work also raises other problems, such as their use indoors and the existence of obstacles outside, e.g., as aerial structures, buildings and trees. These items restrict the flight area.

They can also be used for post-event review, since in an incident they are very valuable in placing people and assets in a given time and place, as well as anything else that can be observed, and be used as evidence if necessary. The operator must be an expert in reviewing the records, isolating the times and downloading them.

Fixed cameras are also used to a lesser extent for key asset security and as additional diligence in the event of an incident.

The projects currently running drone programmes are the following:

- Eglinton Crosstown Light Rail Transit alignment
- Finch West Light Rail Transit alignment
- Gordie Howe International Bridge (Canada & USA segments)

4. HEALTH AND SAFETY AT WORK

Supervising and optimising these occupational health and safety systems means setting annual targets that have been approved by the company's Senior Management. These indicators are continuously monitored to prevent possible deviations and to ensure prompt action where necessary. The targets are set on the basis of existing indicators for each company, but with common thresholds where all of them promote continuous improvement based on a common standard. This provides insight into individual and overall company performance, allowing for appropriate decision making. The conclusions of this monitoring are gathered in periodic meetings to establish action guidelines towards reaching set targets.

Meeting our zero-accident target is becoming ever closer thanks to the work of our Health and Safety Services in the

companies and the commitment of our workers, contractors and collaborating companies or suppliers.

On the other hand, as part of its commitment to the safety and well-being of its employees inside and outside the workplace, the Dragados Group facilitates health care for the people who work in the Group's companies. The possibility of accessing insurance or other health care services is becoming increasingly common. Examples of the latter could be the development of vaccination campaigns or the promotion of preventive medicine by offering comprehensive medical check-ups including non-work related diagnostic tests such as analysis of tumour markers and various analytical parameters.

4.1. TRAINING

Dragados Group considers that an essential pillar of action for effective occupational health and safety management is training and awareness-raising on this subject for all those who are part of the Group. This is evidenced by the fact that 100% of Dragados Group employees receive training in occupational Health and Safety at the beginning of their careers in the company, and this training is complemented or renewed throughout their careers, so all individuals receive training throughout their careers.

While 2022 was no longer affected by the extraordinary courses provided to guarantee knowledge of protocols rolled out by the Group to fight against Covid-19, this year the good numbers achieved in recent years have been maintained. This translates into more than 88% of individuals employed by the Dragados Group received health and safety training over the course of 2022.

	2019	2020	2021	2022
Employees who have received health and safety training during the year (%)	87.2	89.9	89.5	88.2
Employees who have received health and safety training during their career with the company (%)	100%	100%	100%	100%



4. HEALTH AND SAFETY AT WORK

Dragados Group has various health and safety training programs for people working in the organisation. On the one hand, there are basic courses on general knowledge such as first aid, occupational risk prevention or emergency and evacuation plans, among others. An important part of the training activities is focused on safe work procedures according to the activities that take place on site, but without forgetting the those who carry out their work in offices, who also receive training in ergonomics.

Other training courses worth highlighting are those focused on the development of skills and mental well-being, such as leadership and emotional health. As an example, Dragados Canada is conducting training courses on basic mental health literacy and initial assistance, as well as training for Health and Safety committees to investigate potential worker problems or complaints that may lead to mental health problems at the same level as physical injuries.

Dragados Group also collaborates with organizations specialized in occupational safety, health and risk prevention and actively participates in congresses, conferences and forums organized both nationally and internationally.

THE TRAINING OF OUR COLLABORATING COMPANIES

Dragados Group shows its commitment to the health and safety of its suppliers, contractors, and collaborating companies by providing training to ensure that they are aware of all the measures required to carry out their activities in a safe manner.

All personnel joining a construction site must have the necessary training to perform their work safely. Upon arrival, they also receive our Corporate Induction, during which they are informed about our risk prevention principles and culture, as well as the relevant health and safety information for that site.

Employees of collaborating companies also participate in site kick-off talks and in any other specific information or training activity that may be of interest for them to carry out their work safely. The number of training hours for contractors recorded by the Group's companies during 2022 surpassed 200,000.

4.2. SAFETY STATISTICS

The Health and Safety of people at work is one of the fundamental strategic pillars of the Dragados Group's sustainability strategy. The ongoing efforts that all Group companies make in the area of Health and Safety have a clear impact year after year on improving accident rates. The

decrease in incident and frequency indexes in 2022 shows how effective the measures taken by our Health and Safety teams have been, and reinforces the declining trend recorded in recent years.

ACCIDENT RATES. COMPANY PERSONNEL	2020	2021	2022
Frecuency (1)	4.82	4.57	4.23
Severity (2)	0.16	0.13	0.17
Incidence (3)	8.20	7.76	7.19

(1) Frecuency rate: Number of accidents occurring during the working day per 1 million hours worked

(2) Severity rate: Number of working days lost due to accidents per thousand hours worked

(3) Incidence rate: Number of accidents with sick leave per thousand workers

Every company in the Group monitors these indexes exhaustively, reporting them on a monthly basis so as to be able to assess how effective the measures adopted have been. All significant accidents and incidents, or those that

could have been significant, are investigated in depth to establish the causes and be able to adapt preventive measures, learning from experience and preventing recurrence.

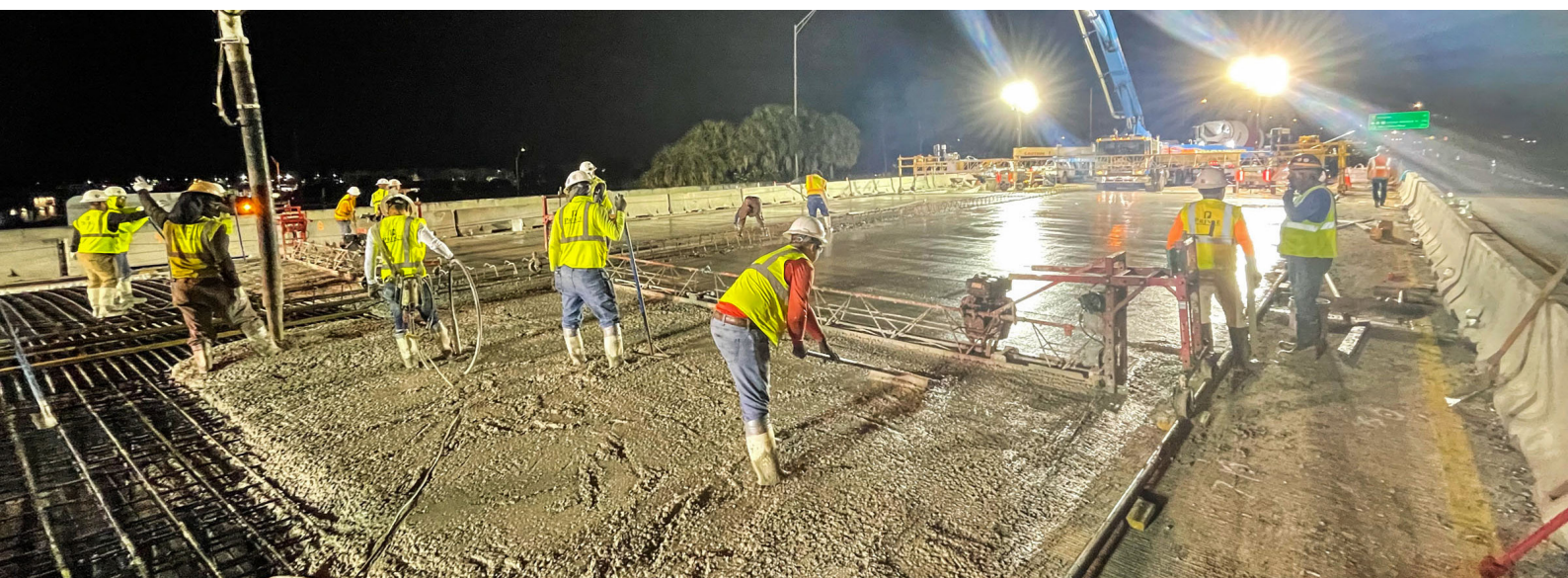
4. HEALTH AND SAFETY AT WORK

The main types of work-related injuries that occur to Dragados Group employees are linked to overexertion, impacts, or contusions, as well as cuts or other injuries resulting from the use of tools and work equipment. These injuries are usually the result of handling objects or tools,

slipping or tripping with or without falling, and losing control of objects and tools.

In 2022, there was only one case of occupational diseases in all group companies.

	2019	2020	2021	2022
Total number of cases of occupational diseases (employees)	4	0	0	1



4.3. ACCIDENT RATES. CONTRACTORS

Another key action line pursued by the Group in this area is to spread our preventive culture among suppliers, contractors, and collaborating companies. The Group continuously monitors the health and safety conditions of these stakeholders and keeps track of the accident rates associated with them. The main types of work-related injuries

and occupational illnesses have the same causes as those described for employees carrying out similar activities.

It is also important to note that the Occupational Health and Safety Policies of Group companies also apply, where applicable, to Business Partners, including contracted companies acting for or on behalf of our companies.

CONTRACTING PARTNERS	2020	2021	2022
Frecuency	8.48	7.58	7.89
Severity	0.09	0.06	0.27

2022 saw no cases of occupational diseases among contractors or deaths due to this cause.

	2020	2021	2022
Total number of cases of occupational diseases (Subcontractors)	0	0	0

4. HEALTH AND SAFETY AT WORK

COMMITMENT TO SAFETY AND OCCUPATIONAL HEALTH OF CONTRACTORS (DRAGADOS) - CONTRACTORS LEAGUE

The Euston Station project developed a subcontractor classification programme based on health and safety performance

The official in charge of each section rates the subcontractors they supervise based on aspects such as:

- Leadership
- Supervision
- Participation in meetings for on-site inspections
- Management of observations and incidents
- Communication of risks and change management

Those who systematically obtain the best scores are eligible for the recognition programme. Improvement plans are offered to those who obtain poor scores in different areas.

The programme not only aims to improve the performance of subcontractors in terms of safety, but also to increase their commitment and motivation by involving them in the Group's safety culture.

4.4. HEALTH AND SAFETY RISK MANAGEMENT

Dragados Group companies develop their Health and Safety Policies on the basis of a common policy, in accordance with their characteristics, needs, and geographical scope. These policies are supported and reviewed by the top management in accordance with ACS Group's ultimate target, which is a zero-accident target.

To this end, the result of the risk map and the tangible analyses carried out by the ACS Group are taken into consideration, with risks prioritised according to their relevance and the impact they may have on the activity of the company and applying the measures established therein.

1. Commitments of the 2025 Sustainability Master Plan for accident reduction:
 - Assessment and control of risks that cannot be eliminated.
 - Planning preventive activities at all levels, establishing the necessary measures to work safely and healthily.

- Setting annual targets that are reviewed regularly.
2. Management systems that are kept updated and approved by the Senior Management of each of the companies.
 3. Working with organisations and taking part in congresses and activities on the subject.
 4. Working with partners and subcontractors that:
 - Respect internationally recognised human and labour rights.
 - Undertake our commitment to provide a safe and healthy work environment, in compliance with applicable regulations on Occupational Health and Safety.

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5. COMPLIANCE MANAGEMENT SYSTEM

ORIGIN, EVOLUTION, AND MAIN ELEMENTS OF THE COMPLIANCE MANAGEMENT SYSTEM

Since 2018, DRAGADOS has had a Global Compliance Management System with a comprehensive vision and a cross-cutting structure from the outset, not limited to the criminal sphere. In this way, the Global Compliance Management System has gradually expanded its scope to currently encompass criminal and anti-bribery compliance, competition law, cybersecurity, human rights due diligence and, in general, any other area of compliance that the Board of Directors deems should be covered by the Compliance Management System.

Having defined the scope of the System, its main elements are as follows:

- DRAGADOS Code of Conduct, latest version approved in April 2022, which sets out the ethical principles governing the company's actions.
- Code of Conduct for Business Partners, the latest version approved in April 2022, which sets the minimum standards of behaviour that DRAGADOS business partners must comply with.
- Criminal Risk Prevention Policy, the latest version approved in April 2022, which defines and establishes the principles of action of the Compliance Management System in criminal and antitrust matters.
- Anti-Corruption Policy, the latest version approved in April 2022, which establishes a regulatory framework and basic rules for the prevention and detection of corruption and bribery activities in the company's operations.
- ACS Information Security Policy, the latest version approved in September 2022, which defines the basic principles and rules for information security management.
- ACS Human Rights Policy, the latest version approved in September 2022, which establishes the commitment to respect internationally recognised human rights.
- The Compliance Function comprising the Compliance Directorate and the Compliance Committee.
- Risk and Control Matrices in the different compliance areas, which identify compliance risks and list measures to prevent, detect, and manage them.
- The policies, procedures, processes and other internal regulations that make up the regulatory body of the Global Compliance Management System.

- The actions of planning, operation, supervision, and reporting with respect to each of the elements of the System are managed by the Compliance Committee in permanent connection and relationship with the rest of the company's business areas and, where appropriate, with the Board of Directors and Senior Management.
- The DRAGADOS Ethics Channel, which allows any person authorised to do so to report irregularities or non-compliance with the provisions of the DRAGADOS Code of Conduct and the Policies that develop it; and
- The disciplinary system to be applied in cases of non-compliance or non-compliance with regulations under the scope of the Global Compliance Management System.

THE DUAL RISK CONTROL MODEL: SPECIFICATION OF THE DUTIES OF DILIGENCE OF THE PARENT WITH REGARD TO SUBSIDIARIES

To promote the adoption of a model of compliance management by subsidiaries which can be understood as robust, the Dragados Group parent has developed a dual control system:

- a. The implementation and development of a homogeneous standards system for subsidiaries aimed at ensuring that all Group subsidiaries have a certified compliance management system or, at least, that it can be understood as certifiable. This system will detect those subsidiaries that have deficiencies and that do not reach the minimum level of uniformity of the group. This will include a system to control the risk posed by the subsidiaries as a whole, which in turn will identify where there is greater vulnerability to indirect risks from subsidiaries.
- b. Semi-annual monitoring to identify those cases in which breaches have been reported or where compliance risks have been established, also monitoring whether the subsidiary has adequately reacted in this specific case by detecting the system's deficiencies, taking corrective actions and the steps taken to resolve them (internal investigations and their results, amendments to rules, improvements in controls, etc.).

In accordance with the highly decentralised management model of the DRagados Group, the Group's parent company promotes the adoption of its own specific compliance management model by each of the subsidiaries, aligned with common regulatory standards and policies. This is why the Global Compliance Report is used among Group

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companies to assess the risks that the independent compliance management system of each one represents for the parent. In this way, the parent has at least one mechanism to be informed of and understand the risks to which it is exposed so that its directors comply with their general duty of control and diligence.

With this information, it can operate with the indirect risks that come from the subsidiaries, implementing and developing a second line of own control, complementary to the specific systems of the subsidiaries.

This allows for average intensity control without daily involvement in the compliance management of the subsidiary based on a system of reporting from the subsidiary to the parent. The standardised reporting system at the group level makes it possible to substantiate the existence of due control by the parent with regard to subsidiaries, promoting the adoption of own compliance management systems by subsidiaries without prejudice to the parent's supervisory and control function.

For this purpose, an existing tool which, in its latest version as of December 2022, includes the following sections:

- I. Obligations in criminal compliance and anti-bribery.
- II. Compliance staff and responsibilities.
- III. Business partners. External diligence and risk assessment.
- IV. Compliance training and communication.
- V. Controls, targets and resources.
- VI. Ethics channel.

VII. Internal investigation procedure.

VIII. Disciplinary system.

IX. Breaches, analyses and corrective actions.

X. Competences.

XI. Cybersecurity.

XII. Environmental due diligence processes.

XIII. Human Rights due diligence processes.

XIV. Tax compliance.

XV. Corporate Governance.

The GLOBAL COMPLIANCE REPORT, which is sent by the Group's subsidiaries every six months, is supplemented by the Dragados Group's Risk and Criminal Controls and Anti-Bribery Matrix, which includes both the risks to which the listed individual company is exposed due to its own activity, and the risk to which it is indirectly exposed through the criminal risks of the activities of its subsidiaries.

The Global Compliance Report also makes it possible to obtain an annual Risk Score Card in all areas of compliance reported.



5. COMPLIANCE MANAGEMENT SYSTEM

5.1. UPDATE OF COMPLIANCE POLICIES AND PROCEDURES

The Group's main compliance policies and procedures are available to all stakeholders and business partners on the corporate website: www.dragados.com. The Board of Directors, in conjunction with Dragados' Compliance Committee, ensures that these policies and procedures are permanently reviewed to ensure they are adequate and that they are actually applied, avoiding, at all times, any situations that may affect the company's credit and reputation.

During 2022, and as a consequence of the modification of the ethical channel in order to comply with the European Directive 2019/1937 on Whistleblower Protection and the ISO 37002 Standard on Whistleblower Channel Management Systems, the following policies have been adapted:

- a. Code of Conduct, the latest version of which was approved in April 2022, communicated to the entire organisation and published both on the intranet and on the corporate website.
- b. The Code of Conduct for Business Partners, the latest version of which was approved in April 2022, communicated to the entire organisation and published both on the corporate intranet and website.
- c. Criminal Risk Prevention Policy, the latest version of which was approved in April 2022, communicated to the entire organisation and published both on the corporate website and intranet.
- d. Anti-Corruption Policy, the latest version of which was approved in April 2022, communicated to the entire organisation and published both on the corporate website and intranet.

THE NEW ETHICAL CHANNEL AND OPERATING POLICY OF THE DRAGADOS GROUP

There have been new developments in the management and form of access to the Ethics Channel during the financial year 2022 in order to comply with the provisions of Directive (EU) 2019/1937 on Whistleblower Protection, as well as with the ISO 37002 Standard on Whistleblower Management Systems. In this regard, a digital platform has been contracted to manage the Dragados Group's Ethics Channel, which has been fully operational since the first half of 2022, with access through the DRAGADOS corporate website and intranet, and those of all its subsidiaries and branches.

Likewise, the Compliance Committee has approved an Ethics Channel Operating Policy for the entire DRAGADOS Group, approved by the Board of Directors on 21 March 2022, which has replaced the previous regulation foreseen for the Ethics Channel in the Operating Regulations of the DRAGADOS Compliance Committee or the Compliance Body of the corresponding subsidiary or branch that manages the communications received through the Ethics Channel. The Ethics Channel Operating Policy has been communicated to the entire organisation and published both on the corporate website and intranet.

Likewise, the Compliance Committee has approved two new Procedures in development of the DRAGADOS Group's Ethics Channel Operating Policy:

- a. Procedure for investigating complaints and non-compliance in the DRAGADOS Group, communicated to the entire organisation and published on the corporate intranet.
- b. Compliance disciplinary system, communicated throughout the organisation and published on the corporate intranet.

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5.2. FIGHTING CORRUPTION AND BRIBERY

In the area of Criminal and Anti-Bribery Compliance, the Code of Conduct and the DRAGADOS Code of Conduct for Business Partners are further complemented with the Corporate Criminal Offence Prevention Policy and the Anti-Corruption Policy. Both policies are aligned with the national standard UNE 19601 on criminal compliance management systems and ISO 37001 on anti-bribery management systems.

In the 2022 financial year, all the objectives set in terms of criminal and anti-bribery compliance were met, mainly through the improvement and strengthening of the matrix of criminal and anti-bribery risks and controls, by updating the determination of the applicability of the risks and controls associated with each type of crime, verifying the effectiveness of the latter, for the final reduction of the current residual risk corresponding to each crime defined in the model.

The update of the matrix of criminal and anti-bribery risks and controls has been carried out during the year 2022, and in the following operational mode:

1. Improving the criminal and anti-bribery risk matrix and controls.

The matrix improvement process started with an exercise to update the assessment of the applicability of DRAGADOS' criminal and anti-bribery risks by an independent expert.

The offences considered applicable to DRAGADOS have been subjected to a new and updated methodology for assessing risk and control levels, also including the risk derived from subsidiaries and the new offences of workplace harassment and sexual harassment introduced by the entry into force of Organic Law 10/2022, dated 6 September, on the comprehensive guarantee of sexual freedom. In both cases, these are cross-cutting risks that affect the entire organisation.

In addition, naming particularly exposed positions included in the matrix has been reviewed and modified,

following the terminology described in the organisation's internal rules.

In relation to the improvement of controls and its new assessment model, changes have been made to the description of the controls in the risk matrix and criminal and anti-bribery controls, and additional pre-existing controls have been incorporated into the organisation as a result of the breakdown of the control frameworks-SCIIF- and the applicable compliance policies and procedures.

The matrix has thus been reformulated to meet the improvement opportunities identified in the audits, and to provide it with greater coverage and robustness of control over the risks linked to the applicable offences, obtaining tools and levers to identify and mitigate risks in a more targeted manner.

2. Contrast of the "To-Be" model of the matrix with actual operations.

As a final part of the process of improving the matrix of criminal and anti-bribery risks and controls, an analysis has been carried out on whether the actual operations are adapted to the new modifications.

As a result of the entire review process, the updated matrix has determined the nature and extent of the criminal and anti-bribery risk faced by DRAGADOS, identifying that the actual residual risks had been reduced, which was subsequently validated and confirmed by the external audit and certification reports.

Furthermore, as established in the Dragados Group's Code of Conduct in relation to the fight against corruption, the companies of the Dragados Group will ensure compliance with these requirements, also avoiding any transaction that could be interpreted as a donation in favour of political parties or individual politicians, whether in cash or in kind. Donations or sponsorships to entities apparently not linked to political parties or public officials should not fundamentally infringe the provisions of this Code of Conduct.

	2021	2022
Value of financial and in-kind contributions made by the organization to associations (trade associations, business associations, etc.) (1) (€)	629,383	963,896

(1) The scope of the data in 2021 and 2022 is 96.26% and 97.64% of sales respectively.

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5.3. HUMAN RIGHTS

The Dragados Group has the mission to contribute to the development of society and future generations through its services and operations, ensuring at all times maximum respect for internationally recognised human rights (HR) in its global activity, in line with the ten principles of the UN Global Compact to which the Group is a party.

The main commitments in this area are set out in:

- The ACS Group's and Dragados' Code of Conduct, which establishes the performance guidelines expected of all members of the Company as an essential part of its mission, values and corporate culture.
- The ACS Group's and Dragados' Codes of Conduct for Business Partners, which must be complied with by all its business partners regardless of their geographical location or the Group company with which they maintain their contractual relationship.
- The ACS Group's Sustainability Policy, which establishes the ACS Group's environmental and social policy principles, as well as the Group's relationship with its environment.
- The ACS Group's Human Rights Policy, which establishes the responsibility to of respecting internationally recognised human rights, formalising a due diligence

process to identify, prevent, mitigate and remedy adverse impacts that take place in the scope of its activity and global value chain, and to report on the effectiveness of this process.

- The ACS Group's Protocol on Human Rights Due Diligence, which serves as the backbone of the system, establishing the approach and due diligence responsibilities required by ACS for all its employees, Divisions and Business Partners, providing the means to ensure and verify compliance.

These standards constitute the essential pillars on which The Dragados Group continuously applies due diligence processes in its operation and global value chain, ensuring their compliance with applicable law in each jurisdiction and with relevant international reference frameworks: the International Bill of Human Rights, the core International Labour Organisation conventions, the UN Guiding Principles, the OECD Guidelines for Multinational Enterprises, and the Tripartite Declaration of Principles on Multinational Enterprises

HUMAN RIGHTS DUE DILIGENCE SYSTEM

In order for Dragados Group to adopt the obligations derived from previous regulations, it has a Due Diligence System regarding Human Rights through an analysis of the ris-

5. COMPLIANCE MANAGEMENT SYSTEM

ks in this area, taking into account both the context of the countries of operation as well as the activities carried out by the companies of the Group, which allows the Dragados Group to guarantee that it has the management capacity, tools, and commitments necessary to act with due diligence in its global commercial relationships and operations, while respecting internationally recognised Human Rights at all times, as well as applicable laws on these matters.

The System is based on the 'protect, respect and remedy' pillars of the UN Guiding Principles. Thus the identification, prevention, mitigation, monitoring and remediation of potential adverse effects on human rights related to the activity of Dragados (as a result of, contribution and or direct and indirect association) is facilitated, and the processes to handle any complaints or claims that may be made by those who have been the subject of this conduct and/or their legitimate representatives are defined.

All subsidiaries and branches are asked annually, through the monitoring and reporting system that DRAGADOS has in the domain of Human Rights, to report on a series of Human Rights indicators, as well as on any changes that may have occurred in terms of risk analysis and the identification of mechanisms. With this information, annual human rights objectives and improvement actions are set out and compliance with them is monitored. During 2022, this process has already been implemented in all national and international subsidiaries and branches.

In addition, every six months and through the Global Compliance Report questionnaire, all subsidiaries and branches report on Human Rights, with the aim of early identification of the risk of human rights due diligence associated with possible non-compliance with internal and external regulations applicable in the countries of operation of their subsidiaries and branches.

During 2022, the ACS Corporate Human Rights Due Diligence Protocol was updated, as well as the ACS Code of Conduct, ACS Code of Conduct for Business Partners, ACS Sustainability Policy, and ACS Human Rights Policy. The DRAGADOS Code of Conduct and the Code of Conduct for DRAGADOS Business Partners are also scheduled to be updated in the first quarter of 2023.

The purpose of updating the aforementioned documents was to adapt them in order to guarantee their capacity to cover recent and future regulatory requirements, of which the Proposal for a European Corporate Sustainability Due Diligence Directive (CSDD), approved by the European Commission on 23 February 2022, should be highlighted due to its scope and level of demand.

The most substantial changes implemented are aimed at strengthening the following aspects:

1. Disclosure and awareness of compliance with the Human Rights Due Diligence and the use of the complaint channels enabled for workers, suppliers and business partners.
2. Extension of compliance with the Group's internal regulations to the entire global value chain.
3. Periodic analysis of Human Rights adverse effects focusing on the risk to individuals, and assessed in terms of probability and severity.
4. Regular definition of action and mitigation plans, as well as specific remediation actions in high-risk situations, following the Protocol guidelines.
5. Strengthening the governance structure on the implementation and supervision of the Human Rights Due Diligence between the various Divisions and their functional areas.
6. Integration of procedures to escalate significant incidents in this area to senior management from any point in the organisation.
7. Strengthening the Human Rights risk management and identification systems in relationships with business partners throughout the value chain (upstream and downstream).

The DRAGADOS Business Partner Code of Conduct is expected to be reviewed and adapted in the first quarter of 2023 to reinforce the following issues:

- I. Strengthening compliance requirements with human rights, labour rights and ethical principles.
- II. Introduction of requirements to ensure compliance with the same basic principles of action in the supply chain of suppliers subject to the Code.
- III. Strengthening transparency and reporting requirements for nonconformities.
- IV. Strengthening the clauses and the affidavit of knowledge of and compliance with the Code.

As a result of the aforementioned changes, the Dragados Group has updated the assessment criteria relating to the area of Human Rights in the Global Compliance Report 2022, Chapter XII "Human Rights Due Diligence", reinforcing the requirements of the assessment model for the Dragados Group's subsidiaries and branches, and facilitating the identification of the specific action plans to be

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addressed by each subsidiary and branch to continuously improve their performance in the implementation of the Protocol, in accordance with the main standards, internal rules, and applicable regulations.

Analysing the information reported in the Global Compliance Report 2022, we can conclude that both DRAGADOS and all its subsidiaries and branches are well positioned for the future regulatory requirements that are currently being developed in the field of Human Rights Due Diligence on a global level, and which will be applied in the medium term.

However, it is planned that the DRAGADOS Group will continuously extend and strengthen its processes both in direct operations and in the global value chain.

During the 2022 financial year, 100% of the DRAGADOS Group's operations have been assessed throughout the life of the project, meeting the target set by the DRAGADOS Group in the 2025 Sustainability Master Plan for 100% of its own operations to be assessed in terms of Human Rights by that date.

As an example of the effectiveness of the System, it is worth noting that during 2022, no complaints were filed against Dragados or its subsidiaries and branches for human rights violations, having, in any case, reinforced the guidelines of the Protocol in the area of detection and remedying adverse impacts to which the Group may have contributed within the scope of its responsibility. Thus, in 2022, no remedy measures were necessary as there were no non-compliances or non-conformities in this area.



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5.4. ENVIRONMENTAL DUE DILIGENCE

The Dragados Group has a firm commitment to environmental protection and the proper management of the expectations of its stakeholders in this regard, in accordance with the strategic lines defined in the Environmental Policy, the Code of Conduct, the Code of Conduct for Business Partners and the ACS's Sustainability Policy.

During 2022, the ACS Group updated its Environmental Policy, carrying out an exhaustive review and adaptation to ensure its capacity to cover recent and future regulatory and voluntary requirements in environmental matters.

As a result of this update, the Dragados Group has included in its Environmental Policy certain aspects related to biodiversity and non-deforestation, as well as those related to the supply chain.

The Dragados Group also included Chapter XI "Environmental Due Diligence Process" in the 2022 Global Compliance Report, including 12 questions relating to the state of performance on environmental matters, designed to influence the early identification of environmental risk associated with possible non-compliance with the Dragados Group's internal policies, the main international standards and the regulations applicable in the countries in which the various Dragados Group companies operate.

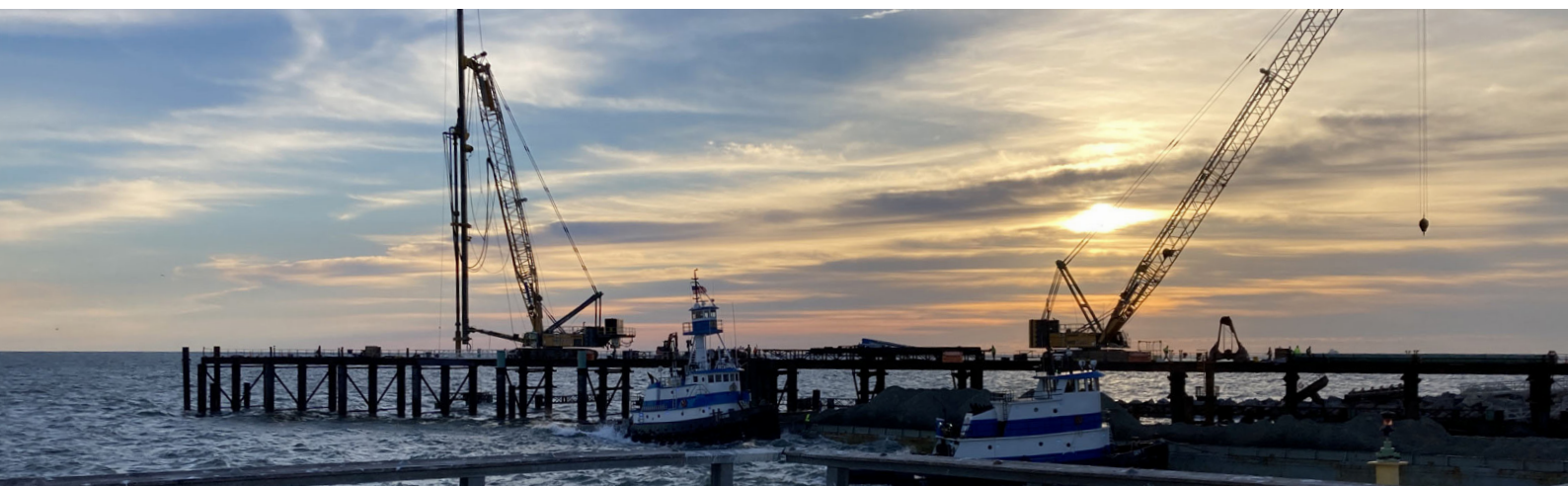
This information is analysed and evaluated by the Compliance Committee together with Quality and Environment Management to estimate the environmental compliance risk to which the DRAGADOS Group is exposed and to facilitate its mitigation through the definition of the specific action plans to be addressed for the continuous improvement of its performance in this area.

This analysis has been carried out on the information reported by the DRAGADOS Group companies to Chapter XI

of the Global Compliance Report questionnaire, aimed at addressing the most demanding regulatory frameworks in this area, among which the following should be highlighted:

- a. The Environmental Policy for Dragados, applicable to all Group companies
- b. The 2025 PDS- 2025 Sustainability Master Plan
- c. Regulation (EU) 2020/853 of the European Parliament and of the Council of 18 June 2020 on Taxonomy. The regulation establishes the criteria for determining whether an activity is considered environmentally sustainable in order to establish the degree of environmental sustainability of an investment.
- d. Section 32 of Law 7/2021, of 20 May, on climate change and the energy transition. It introduced disclosure obligations on the assessment of the financial impact on society of the risks associated with climate change, including the risks of the transition to a sustainable economy and the measures taken to address these risks.
- e. The Task Force on Climate-related Financial Disclosure (TCFD). Framework of recommendations to disseminate the measurement, control and management of risks related to climate change.
- f. ISO 14001 on Environmental Management Systems.

The results obtained in the Report make it possible to assess the subsequent level of compliance risk in environmental matters attributable to each company specifically and the Dragados Group as a whole, and it may be concluded that it is important that all companies of the Dragados Group extend and continuously strengthen their processes in both direct transactions and the global value chain.



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5.5. SAFETY OF INFORMATION

Through its Information Security Policy as well as the applicable ACS Information Security Policy, the DRAGADOS Group has the necessary mechanisms and tools to guarantee the confidentiality, availability, and integrity of its information, the main one being the Information Security Master Plan, which is aligned, firstly, with the business objectives and, secondly, with the Information Security Policy itself.

During the 2022 financial year, work has been carried out on the implementation of various initiatives envisaged in

the Security Master Plan to respond to the current risk situation, with a special focus on the implementation of measures necessary for the protection of the main information systems.

Monitoring of compliance in this area in DRAGADOS Group subsidiaries and branches is carried out through the XII Cybersecurity section of the Global Compliance Report.

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5.6. COMPETITION COMPLIANCE MANAGEMENT SYSTEM

The ACS' Board of Directors approved on 28 July 2022 the latest version of the ACS Competition Compliance Policy and Protocol. This Policy provides the backbone and common framework for the DRAGADOS Group to comply with antitrust regulations.

In 2022, both DRAGADOS and the rest of its national subsidiaries finalised their Compliance Management System update process with the aim of adapting it to the requirements defined by the Policy and Protocol for compliance in terms of ACS competition, which, among other questions, consisted of producing and approving competition risk assessment and identification, as well as various measures such as a new version of the Competition Regulations Compliance Guide, a Procedure for Competitor Contact and Meeting Monitoring, and providing specific training in this area. In addition, during 2022, the international subsidiaries have adopted various measures in the area of competition in order to update their Compliance Management System, a process that will continue during 2023.

Likewise, monitoring of the effectiveness of competition compliance programmes in the DRAGADOS Group's subsidiaries and branches has been strengthened and improved by means of the following:

I. Improvements in the Global Compliance Report questionnaire section on competition compliance programmes:

- a. More questions were asked, focusing on the involvement of directors and executives in the programme, training, complaints channel, compliance officer, risk map, control matrix and disciplinary system/incentive system among others.
- b. Overall scope of the assessment of competition compliance programmes, taking into account the compliance guidelines of competition authorities in Canada, Spain and the USA.

The improvements made to the questionnaire also aim to assess the effectiveness of competition compliance programmes taking into account the compliance guidelines of the competition authorities of the countries in which Dragados Group subsidiaries are active.

To determine the robustness of the programmes of Spanish subsidiaries, the CNMC's Competition Compliance programme Guide and the ACS Group's Competition Compliance Policy and Protocol were taken into account.

The guidelines on compliance of the national competition authorities of their own countries, in addition to the ACS Group's Competition Policy, have been considered for the most important Group subsidiaries established outside Spain. Specifically, the guidelines on compliance of the competition authorities of the following countries were taken into account for this analysis:

- **Canada:** Competition Bureau of Canada Bulletin on Corporate Compliance Programs.
- **USA:** Antitrust Division of the Department of Justice's Evaluation of Corporate Compliance Programs in Criminal Antitrust Investigations.

These rules are important because they establish the requirements that a competition compliance programme must meet to be considered effective by the competition authorities. If a company has a solid programme that meets the conditions of these guides, the probability of committing a competition breach will be minimised. If committed by any worker, in breach of the programme, the Company may take remediation and corrective measures on time. If the authority initiates an investigation against the company, having an effective competition compliance programme can lead to a reduction in the amount of the potential fine. In addition, it may also serve to lift a potential ban on engaging with the public authorities as a result of the company's commission in the past of a competition breach.

The analysis of the responses to the Global Compliance Report reflects the progress in the competition compliance programmes of each subsidiary and branch, which are analysed by the Compliance Committee to formulate individualised recommendations, as well as the proposal of a specific work plan for each of them to reinforce and improve their competition compliance programme.

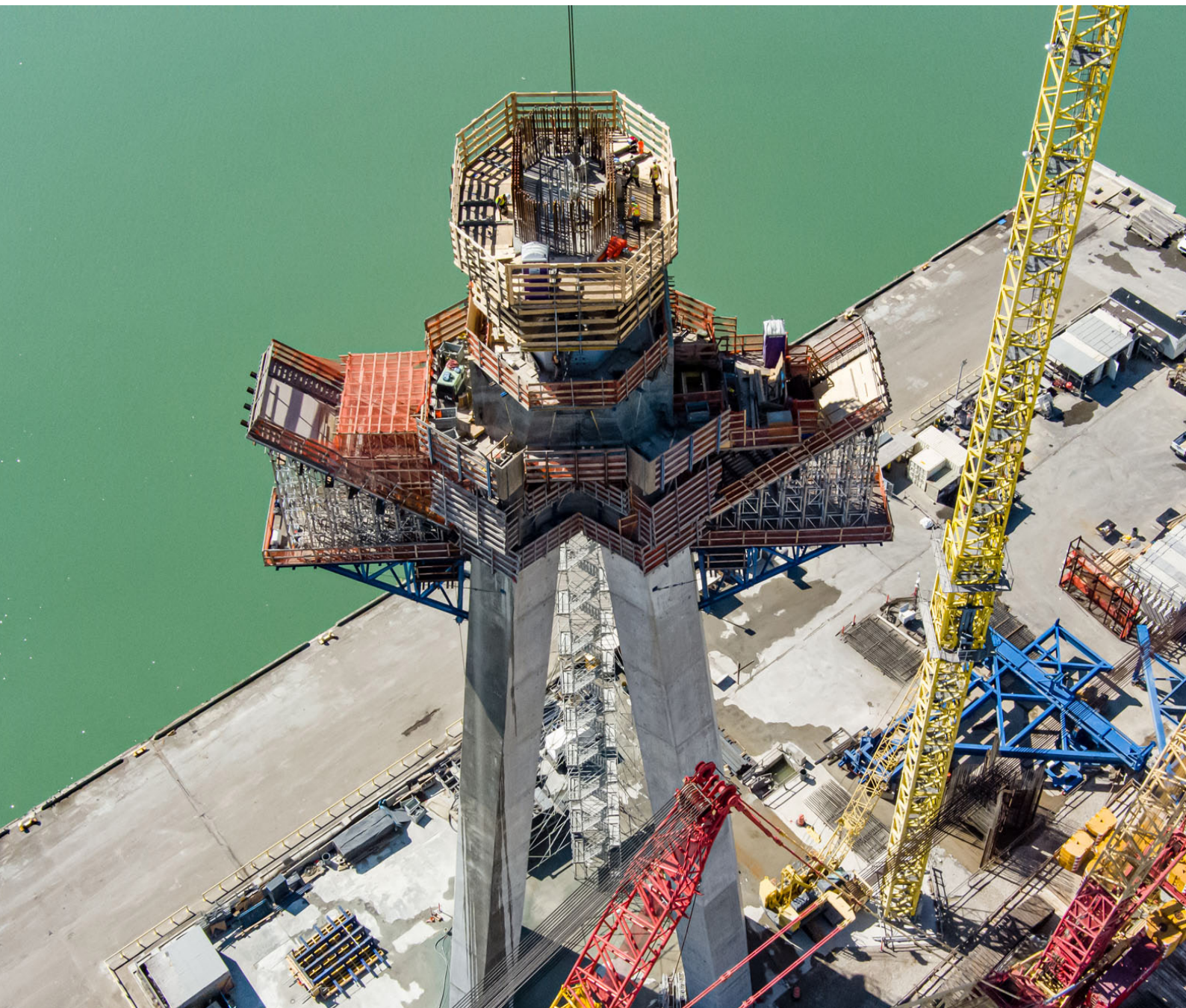
5. COMPLIANCE MANAGEMENT SYSTEM

5.7. TAX COMPLIANCE

During the 2022 financial year, DRAGADOS has carried out a review of the formal internal tax control procedures, adapting them to the provisions of the Internal Tax Control Standard (NCIF, in Spanish) and the Corporate Tax Policy, which were updated and subsequently approved by the Board of Directors of ACS Actividades de Construcción y Servicios, S.A. on 28 July 2022.

These procedures were reviewed by an independent external consultant and the following was derived from this review:

- Procedures are properly documented.
- The main tasks have been attributed and it is possible to identify who has been assigned to carry them out.
- The procedures include certain controls to review their proper implementation.



5. COMPLIANCE MANAGEMENT SYSTEM

5.8. TRAINING

	2021	2022
Scope of training plans on Human Rights, Ethics, Integrity, Conduct, or other compliance policies and procedures (% employees)	90,31%	94,51%
Number of courses provided on Human Rights, Ethics, Integrity, Conduct, or other compliance policies and procedures.	264	269
Number of employees trained in Human Rights, Ethics, Integrity, Conduct, or other compliance policies and procedures.	4,812	5,683
Training hours per trained employee	3.85	4.03

All DRAGADOS Group companies provide training to all members of their organisation on a regular basis as soon as they join, in accordance with the provisions of the Annual Training Plan, which includes the compliance training actions proposed by the Compliance Committee. This training is appropriate to the roles of staff and the compliance risks to which they are exposed. The effectiveness of all training activities is evaluated and regularly reviewed to ensure that they are up to date at all times.

Similarly, DRAGADOS Group subsidiaries and branches ensure that procedures are in place to address compliance awareness and training for third parties acting on their be-

half who may pose a compliance risk to the organisation. Training records are kept as documented information.

During 2022, the Compliance Committee promoted training for members particularly exposed to different types of risk within the organisation. This training was focused on the areas of criminal and anti-bribery risks, competition defence, anti-corruption, Human Rights, and cybersecurity.

Of particular note is the specific training in criminal compliance and anti-corruption through an external specialist in criminal law for particularly exposed staff and members of the Board of Directors.

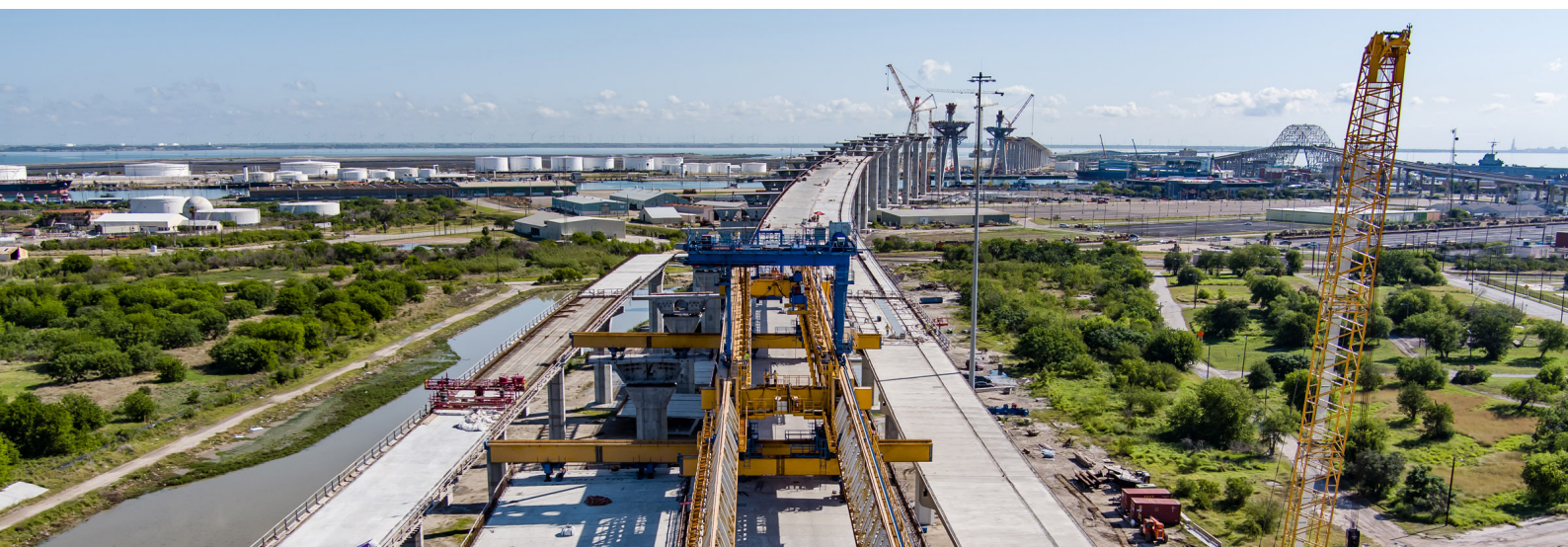


5. COMPLIANCE MANAGEMENT SYSTEM

5.9. CHANGES IN THE INTERNAL AND EXTERNAL CIRCUMSTANCES OF THE ORGANISATION

During 2022, the following changes in the legal or regulatory context have occurred, which are considered to be external circumstances relevant to the organisation:

- New framework on Non-Financial Information on sustainability. Directive CSRD 2022/2464 of the European Parliament and of the Council of 14 December 2022. Since the CSRD Directive was approved in December 2022, its development at Community level and its transposition into Spanish law will be taken into account in the developments in the organisation's internal regulations in 2023 and subsequent years.
- Proposal for a Directive on corporate sustainability due diligence.
- Organic Law 10/2022, of 6 September, on the comprehensive guarantee of sexual freedom, introducing new types of the risk matrix and criminal and anti-bribery controls.



5.10. GOVERNANCE AND COMPLIANCE

An effective compliance management system is a fundamental pillar of the good governance of an organisation as Dragados.

Pursuant to the provisions of the Law, the Board of Directors is responsible for determining the Company's general policies and strategies, and supervising the internal information and control systems, including the Compliance Management System, insofar as it is the mechanism for controlling compliance risks.

Likewise, and as established in the ISO 37301 standard to which our parent company ACS is certified, the Board of Directors is required to lead the creation of a culture of compliance, to develop the necessary sensitivity with respect to aspects related to governance and compliance, to defend the organisation's values and, in particular, to promote compliant conduct. In this regard, ISO 37301 requires the Board of Directors to demonstrate an active, visible, consistent, and sustained commitment to a com-

mon standard of behaviour and conduct that is required throughout the organisation, and to this end identifies concrete measures, such as ensuring that the necessary resources are in place for compliance management, supporting the relevant roles to demonstrate leadership in their respective areas of responsibility or ensuring that they are informed in a timely manner of compliance issues, including non-compliance cases, and that appropriate action is taken.

The implementation of all of the above will not only entail compliance with the obligations and principles voluntarily taken on through the internal regulations and, in particular, through the Code of Conduct, in the Corporate Governance Policy and in the General Compliance Policy, but will also entail exercising the duty of care required by commercial law and complying with the best governance standards required by responsible management of the organisations.

5. COMPLIANCE MANAGEMENT SYSTEM

5.11. CONTROL AND MONITORING MEASURES

Established communication and complaints channels

The ACS and DRAGADOS Codes of Conduct establish the values and ethical principles that must govern the actions of the Dragados Group and determine the main rules of conduct that must be respected by all persons working in the Company. Non-compliance with these values may be reported to the DRAGADOS Group Ethics Channel. The DRAGADOS Compliance Committee, which reports to the Board of Directors, is the body in charge of promoting and managing the Ethics Channel and ensuring that there are no reprisals against the whistleblower.

The Dragados Ethics Channel is available to anyone who intends to report a potential breach within a professional context with the Dragados Group, as well as to all Group contacts and stakeholders. The Ethical Channel Operation Policy is binding for directors, executives and employees who have links with Group companies, regardless of the legal nature of their relationship and those who, although not employees, are aware of any breach in their professional relationship with Dragados.

The Dragados Ethics Channel allows complaints to be made anonymously. Through the digital platform of the Ethics Channel, the whistleblower may keep in touch with the organisation preserving its identity and monitoring its file. However, Dragados encourages whistleblowers to identify when making a complaint, giving their name, position and contact details. The staff responsible for processing it may therefore contact the whistleblower for follow-up if necessary. At the same time, Dragados considers that it is the best way to prove its Policy of non-retaliation in the event of a complaint.

In this sense, it should be noted that when a (non-anonymous) complaint is filed, Dragados ensures that the internal complaint procedure will be carried out in a secure manner that ensures the confidentiality of the identity of the complainant and other related information.

All members of the organisation and interested parties are encouraged to submit information related to potential breaches of the Code of Conduct, as well as to request guidance related to compliance policies and procedures or to provide suggestions.

The information provided by the whistleblowers will be managed in a fully confidential and anonymous manner if

they so wish. Dragados will process the personal data for the processing and investigation of the complaint made through the Ethics Channel, for the purpose of detecting and avoiding potentially unlawful conduct and/or contrary to the Dragados Code of Ethics and for the defence of the Company's interests and rights. Whistleblowers can exercise their data protection rights by sending an email to LOPD@dragados.com. More detailed information on the processing of your data is available in the data protection section of our Ethics Channel.

The Dragados Group's Ethics Channel can be accessed.

By post sent to:

DRAGADOS Group Ethics Channel

Avda. del Camino de Santiago 50, 28050 Madrid, Spain

Via the corporate website <https://www.dragados.es/html/cumplimiento.html> or directly through the link to the Ethicspoint platform operated by Navex Global: <https://secure.ethicspoint.eu/domain/media/eseu/gui/108739/index.html>

By means of a 24-hours a day, 7-days a week telephone helpline, with the following numbers:

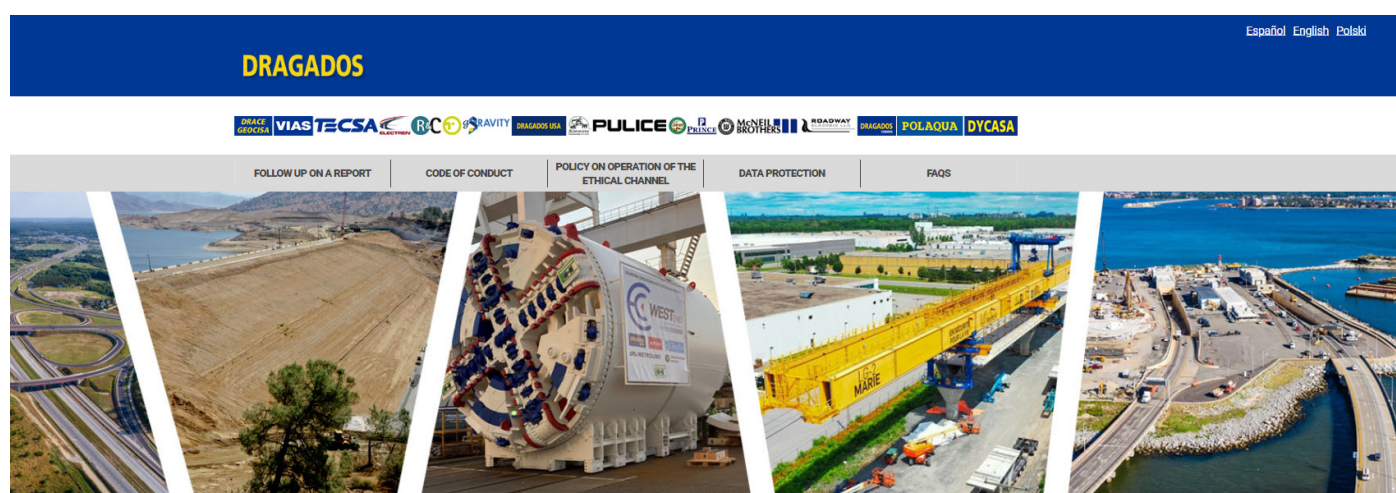
Country		Telephone number
Spain		900 876 043
United States of America	Dragados USA, Inc	866-280-6816
	Schiavone Construction Co LLC/Prince Contracting LLC/J.F. White Contracting Co, Inc	866-777-6115
	John P. Picone, Inc	877-452-3540
	Pulice Construction, Inc	877-452-3541
Argentina		0800-345-1362
Canada		844-985-2427
Chile		800914073
Peru		80078578
Poland		800 005 063
United Kingdom and Northern Ireland		0800 048 5534

5. COMPLIANCE MANAGEMENT SYSTEM

Queries and reports received in 2022

In 2022, Dragados Group's different ethics channels received 50 queries and reports from different users, 28 of them were digital, 9 via telephone, 13 on the website. Of these queries/claims, 14 were from Spain, 21 from the United States, 3 from Argentina, 8 from Poland, and 1 from Canada, with 43 of them being from employees and the rest from various other sources. The queries and reports received were for the following reasons: 10 for alleged cases of harassment and discrimination, 11 for irregular conduct, 5 for conflicts of interest, 6 for working relationships, 6 for

reasons associated with compliance and regulation, and 12 for other reasons. 20 of the queries/claims received were resolved in less than 15 days, 12 between 15 and 30 days, 8 between 30 and 60 days, 8 in more than 60 days, and 2 are still in the investigation process. Of the 50 enquiries/complaints received: 22 enquiries/complaints were closed, of which 5 were closed with no action taken, 3 were closed with recommendations, 6 were not accepted or could not be verified, 7 were resolved with improvement of controls, 1 is being investigated by an external party, and 2 are in progress.



To Make a Report

Select the country in which you are located.

- Select -

After you complete your report you will be assigned a unique code called a "report key." Write down your report key and password and keep them in a safe place. After 5-6 business days, use your report key and password to check your report for feedback or questions.

Our Commitment

At Dragados, S.A. and our group of companies (DRAGADOS Group) we always position ourselves as a top player in whatever sector we work in, and are committed to the economic and social progress of the countries we operate in. Since the beginning, we have upheld a corporate commitment to our various stakeholders, based on the ethical principles engrained into our corporate culture that go beyond just following the law.

Our Code of Conduct embodies the DRAGADOS Group's core values. Therefore, all the Group's companies and divisions must make decisions and adopt behaviours that are in line with this framework. However, since we work in various jurisdictions, stricter local rules will prevail over our Code of Conduct. Nevertheless, we will not apply any local customs that may violate our Code of Conduct.

The DRAGADOS Group's work is based on the following values: Integrity, Excellence, Trust, Sustainability, and Profitability. These ensure that a shared value is created for all its stakeholders, along with sustainable and profitable growth for its shareholders. Our conduct always goes hand in hand with our values, as we firmly believe in the benefits for the DRAGADOS Group and for society as well. It will be carried out in such a way that complying with our values naturally becomes part of our culture.

All DRAGADOS Group employees who know or have reasonable suspicions about

a breach of the Code of Conduct must report the breach through the channels provided, including jointly notifying their superior. Doing so shows that the employees adhere to our values and are committed to them.

The DRAGADOS Group also makes it easy to report breaches, as it is accessible, not only through the regular channels, but also through alternative methods. Examples of alternative methods include the platform provided by EthicsPoint, an external provider, and reporting the breach by telephone. If you would rather submit an anonymous and confidential report, we encourage you to use the whistleblower channel. We also encourage you to submit any information related to possible breaches of our Code of Conduct, and to seek guidance on our policies and procedures.

Upon request, EthicsPoint will make sure that the information you share remains confidential and anonymous. We can assure you that your comments will be taken into account.

6. SUSTAINABLE PROCUREMENT

6. SUSTAINABLE PROCUREMENT

Supply chain management is one of the main material issues for the Dragados Group. The Group's commitment to its supply chain is key to ensuring a responsible model, in which the quality of its services and products involves compliance with high standards of action and the promotion of sustainable practices.

Dragados Group's model of relations with suppliers, subcontractors, and business partners seeks to ensure that projects are carried out in a responsible and ethical manner. The integration of environmental, social and good governance aspects (ESG) into the management of its supply chain forms part of the responsibility of the Dragados Group and its commitment to sustainable development.

The Board of Directors of the ACS Group approved the Code of Conduct for Business Partners, last updated on 27 February 2023, which outlines the basic principles that must govern the relationship between the Business Partners and the ACS Group and their companies.

Similarly, in 2021, the Dragados Group approved the Code of Conduct for Business Partners, updated in its latest version from 21 March 2023, based on that of ACS, but adapted it to our particularities.

This code of conduct is based on the ethical principles that guide Dragados Group's conduct at all times. The Group requires all of its business partners to expressly accept (by signing and commitment to comply) the content included in this Code. Only in cases in which the Business Partners can demonstrate the existence of a Code of Conduct or other internal rules with content similar to the requirements of the Dragados Group may explicit signing of this Code be waived. Thus, 76.2% of the suppliers and contractors Dragados Group worked with during the 2022 financial year accepted Dragados Group's Code of Conduct for Business Partners, either by signing it or by a similar procedure.

	2020	2021 (*)	2022
% Suppliers and subcontractors who have accepted the DRAGADOS Group Business Partner Code of Conduct	66.5%	70.0%	76.2%

(*) Data for 2021 have been adjusted with new information received subsequently.

This represents a significant improvement compared to 2021, although work is still being carried out in this department in all Dragados Group companies to further increase this percentage.

In addition, we can highlight that an objective of the 'Commit Governance' department has been included to the 2025 Sustainability Plan, aimed at training at least 75% of suppliers to the Code of Conduct for Business Partners by 2025.

The purchasing departments of Dragados Group companies are responsible for managing relations with suppliers and contractors through specific systems for their management, classification, approval and risk control. As a differentiating characteristic of the Group compared to other competitors, it is worth highlighting that in this domain our purchasing departments and supplier management are highly decentralized. This characteristic gives Dragados Group's companies a competitive advantage, due to the agility, flexibility, and autonomy provided by this model.

6. SUSTAINABLE PROCUREMENT

6.1. SUPPLY CHAIN OF THE DRAGADOS GROUP

	2020	2021 (*)	2022
No. of suppliers and subcontractors	19,308	21,649	19,892
Local suppliers	96.6%	95.3%	95.8%
% Spending on local suppliers	96.4%	90.1%	89.0%

(*) Data for 2021 have been adjusted with new information received subsequently.

The company's diverse activities translate into a very complex supply chain, made up of a large number of business partners. In this regard, the total number of suppliers in the Group's supply chain in 2022 reached the 19,892 suppliers.

Dragados Group is committed to the economic and social progress of the countries in which it operates and, therefore, it is committed to contracting local suppliers. In 2022, 95.8% of suppliers were local, representing 89.0% of total expenditures. Dragados Group's determination to promote local development impacts several areas positively:

- The local economy is strengthened while at the same time reducing the costs of the operations.

- The proximity of the suppliers makes it possible to ensure the supply to the different business units worldwide and to shorten the delivery times.
- Reduces the Dragados Group's environmental footprint and minimises the impact on the environment.

Dragados Group's supply chain management defines management and control processes with the following characteristics:

- Supplier and subcontractor management, approval and evaluation system.
- Analysis of the level of compliance with these systems.
- Promotion of collaboration with suppliers and transparency in contractual relationships.



6. SUSTAINABLE PROCUREMENT

6.2. SUPPLIER APPROVAL AND ASSESSMENT SYSTEMS

	2020	2021 (*)	2022
% Companies that have a formal supplier approval system in place	63.0%	87.7%	92.9%
% Companies identifying critical suppliers	82.5%	85.6%	89.0%
No. of critical direct suppliers	238	269	358
No. of direct critical suppliers assessed in terms of sustainability	105	64	77

(*) Data for 2021 have been adjusted with new information received subsequently.

HOMOLOGATION

The responsible management model for the Dragados Group supply chain begins with the approval of suppliers and subcontractors, in which compliance with the fundamental criteria established by the Dragados Group to become a part of the Group's supply chain is assessed. Thus, in companies that represent the 68.0% Dragados Group's procurement costs present a formal system for the approval of suppliers and subcontractors.

The weight of ESG factors in the approval process varies according to the companies' activities and action areas, but the weighted average weight of these factors exceeds 34% in 2022. Specific aspects assessed include certifications in environmental aspects (ISO14001, EMAS or similar), certifications in quality aspects (ISO 9001 and similar standards), adherence to international Human Rights and labour rights standards and analysis of the labour standards and practices of suppliers and subcontractors, among others.

In 2021, a new supplier approval questionnaire was approved including criteria specifically related to ESG. The main aspects considered during the certification process are as follows:

- Equality and workplace harassment
- Code of conduct
- Human rights
- Carbon footprint
- Use of recycled materials

This new questionnaire has been implemented in the group's companies in Spain, and will be implemented in the rest of the group's companies in 2023.

EVALUATION

The Dragados Group's supplier approval system includes a subsequent analysis phase, which provides feedback to the management system and allows for continuous improvement. This process, which seeks to ensure compliance with the contractual clauses and agreements, and includes the identification of economic, environmental and social risks, is fundamentally based on the detection of non-compliances and corrective or managerial measures to be applied, generally through periodic audits, both internally and by independent auditors. This assessment consists of a number of elements, both commercial (lead time, response capacity, etc.) and ESG (environment, health and safety, etc.), the latter having a significant weight in the rating obtained. These ratings are used to update the supplier catalogue ranking.

Of the suppliers worked with in 2022, 6,061 were evaluated for sustainability at least once in the last three years. This represents 30.47% of total suppliers. The DRAGADOS Group's 2025 Sustainability Plan includes a specific objective to increase this percentage by 2025.

In the event that non-compliances or risks are detected, appropriate corrective measures are applied based on the circumstances of each case. When the non-compliances detected are considered serious, they may lead to immediate termination of the contracts.

Sustainability integration remains good overall, although with room for improvement in quality and environmental certifications, the use of recycled material and the optimisation of natural resources.

6. SUSTAINABLE PROCUREMENT

6.3. ANALYSIS OF CRITICAL SUPPLIERS

The Dragados Group's companies carry out an analysis to identify critical suppliers in their supply chains. The Group considers a supplier to be critical when the percentage of procurement or subcontracting expenses are significantly greater than the average for the company's other suppliers, as well as suppliers of critical components and/or non-replaceable suppliers.

In this regard, companies representing 89% of the Group's total turnover have defined processes to identify critical suppliers, the percentage of these being 1.80%. These su-

ppliers represent 19.08% of the Group companies' total expenditures.

It is particularly important to assess these suppliers in terms of sustainability. The Dragados Group assessed 77 direct critical suppliers in 2022 out of the 358 direct suppliers identified, which represents 21.51% of all suppliers. A target has been set under the 2025 Sustainability Plan of the Group to assess 100% of critical suppliers regarding sustainability by 2025.

6.4. SUPPLY CHAIN RISK MANAGEMENT

Dragados Group companies develop policies related to supply chain risk management.

For this purpose, each company applies the necessary measures, taking into consideration the results of the risk map and the analyses carried out by the ACS Group, in which risks are prioritised according to their relevance and the impact they may have on the company's activity.

In the management of the supply chain, it is necessary to consider the possible bad practices of suppliers, as they may pose a risk of undermining their ability to do business. We need to assess the counterparty risks to which we are exposed in terms of staff, health and safety, environment, ethics, integrity and rights, and engage to continuously improve our performances. To this end, the Code of Con-

duct for Business Partners establishes the basic principles of conduct which partners must comply with in their relationship with the Group. Likewise, in addition to the management systems set up by the companies regarding their relations with suppliers, the Group's specific regulations on issues such as the Environmental Policy or the Corporate Due Diligence Protocol on Human Rights or the Criminal and Anti-Bribery Compliance Policy extend not only to the Group's employees but also to the entire value chain.

The associated risks of the supply chain issues and the opportunities and measures for their appropriate management are listed below in order of relevance based on the internal and external report:

ISSUE	POTENTIAL RISKS	DETECTION, PREVENTION, MANAGEMENT AND MITIGATION MEASURES	ASSOCIATED MANAGEMENT INDICATORS
Responsible management of the supply Chain.	Responsible supplier and contractor management systems enable the mitigation of potential risks associated with the supply chain, improving processes and working conditions, and creating opportunities and durable trusting relationships. Otherwise, failure to implement a responsible management system may result in significant legal and operational risks for the Group. Risks: - Increase in costs associated with activities. - Loss of market share. - Loss of license to operate.	It is essential to ensure that the Company's suppliers and contractors meet their commitments and expectations through awareness-raising through established ethical and environmental principles. This management must be carried out through the dissemination and application of environmental, social and governance (ESG) criteria in business relationships with third parties. The Dragados Group therefore has : - Supplier approval and selection systems. - Code of conduct for business partners. - Inclusion of ESG criteria in supply chain management. - ESG clauses to suppliers.	Of the 19,892 suppliers and contractors with which the Dragados Group worked during 2022, 76.2 % of suppliers accepted by signing or have a procedure similar to the Code of Conduct for Business Partners of the Dragados Group. In the formal supplier approval systems, the weight of the factors related to sustainability (environmental, ethical and social criteria) out of the total factors used for the approval varies according to the companies' activities and areas of activity, but the weighted average weight of these factors exceeded 34.3% in 2022. In 2022, 6,061 suppliers had been assessed at least once in the last three years, representing 30.5% of the total suppliers.

7. QUALITY COMMITMENT TO CLIENTS

7. COMMITMENT TO QUALITY WITH THE CUSTOMERS

7.1. QUALITY IN OUR ACTIVITIES

For the Dragados Group, which works in an industry with high technical sophistication, quality represents a fundamental competitive advantage over the competition.

Dragados Group companies, in their commitment to continuous improvement, have established improvement goals and have quality management systems in place. Most of these systems are certified under the ISO 9001 standard by external certification entities, which implies regular audits (internal and external) to verify compliance and conformity with the reference standard.

The general objectives for improvement include:

- Obtain and expand the scope of the certifications, especially with regard to developing a new technique or expanding activities to a new geographical area.
- To encourage employee motivation, participation and professional skills development, providing them with the necessary means to achieve set objectives.

- To improve excellence-oriented management models as a means of increasing competitiveness, profitability and sustainable growth.
- Improve specific performance indicators.
- To intensify our ties with clients, with a view to gaining a better understanding of their needs and increasing their level of satisfaction, fully collaborating with them throughout all the stages of the construction process.

KEY MANAGEMENT INDICATORS – QUALITY

The percentage of ISO 9001 certified production has slightly decreased compared to 2021. It is important to include in this data the importance of the Dragados Group's activity in the United States, since this certification (ISO 9001) is not predominant in this region, although the quality management systems applied are in line with the requirements of the aforementioned standard.

	2020	2021 (*)	2022
Production certified under ISO 9001	66.6%	63.3%	59.4%
Number of quality audits per million euros in turnover	0.08	0.13	0.10

(*) Data for 2021 have been adjusted with new information received subsequently.



7. QUALITY COMMITMENT TO CLIENTS

7.2. CUSTOMER RELATIONS

The nature of the Dragados Group's business means that the number of clients to which it relates is very small, with some being large corporations or worldwide public institutions. Due to this, and in a highly competitive market, it is essential to maintain a high degree of trust with clients to establish stable and lasting relationships over time. One of the Group's its priorities is therefore to ensure the highest standards of excellence and quality in the products and services offered.

The strategy of client relations is built on the following main principles:

- Excellence in service and guidance to solve problems.
- Feedback from the relationship with the client, in order to be aware of and meet the expectations of the client.
- Transparency in the information on the Dragados Group's capabilities.
- Identification of future needs and opportunities for collaboration.

Dragados Group companies are in regular contact with clients through those responsible for each project. In specific projects in which the client dedicates resources to production control, even more continuous contact is maintained.

CLIENT SATISFACTION

Another key action within Dragados Group's client relationship management is to measure satisfaction and to

establish plans for improvement. As a result, companies representing 84.3% of the Group's sales have a defined client satisfaction measurement system in place.

Similarly, companies representing 84.0% of the Group's sales have established specific channels and processes for clients to file complaints and claims. In this respect, we must consider that the company's business is not focused on end customers, but rather on business with other businesses or with the public sector, which is why the management of these systems is mainly carried out through personalised monitoring systems.

For projects that pose greater technological challenges, the Dragados Group also establishes alliances with partners (normally detailed engineering companies), which help to offer end clients the best technical and economic solutions.

Another Group value is confidentiality. The contracting and customer relationship departments of Group companies promote responsible use of information, thus guaranteeing customer confidentiality.

As a result of this good relationship, proximity, transparency and customer satisfaction regarding quality expectations on the services provided, the level of satisfaction of Dragados Group customers is very high.

	2020	2021 (*)	2022
Number of client satisfaction surveys received	117	115	101
Percentage of responses from "satisfied" or "very satisfied" clients out of the total surveys RECEIVED (%)	92.3%	93.8%	89.0%

(*) Data for 2021 have been adjusted with new information received subsequently.

8. R&D AND INNOVATION AT DRAGADOS



8. RESEARCH, DEVELOPMENT, AND INNOVATION AT DRAGADOS

In an increasingly competitive and demanding context, the Dragados Group is aware of the importance of anticipating future trends and demands to maintain global leadership. The Group therefore promotes innovation and research aimed at finding solutions to improve processes, incorporate technological advances and improve the quality of the services provided.

The Company's commitment to innovation is evident in the significant investment in R&D+i made by the Dragados Group every year, which reached EUR 4.73 million in 2022. The result of this effort leads to, among others, improvements in productivity, quality, customer satisfaction, occupational safety, the use of new materials and products, and the design of more efficient production processes and systems.

Management of innovation at Dragados Group companies normally has the following characteristics:

- The role is assumed by the R&D Departments of the Group's companies in coordination with Dragados. There is a Research, Development and Innovation Committee made up of the company's senior management upon whom the Research, Development and Innovation strategy depends
- R&D is managed through recognised management systems, customarily the UNE 166002.
- Compliance with reference standards is reviewed through independent audits.

ECompliance with the requirements of this system involves the development of strategic lines of research, collaboration with external organisations, and investment that aims to encourage innovation and the regular production of new knowledge and operating techniques.

Collaboration with technological centres, research centres, and universities, as well as other institutions related to research, development, and innovation, strengthen and complement the capacities of the Dragados Group to successfully complete innovation processes. In this sense, the growing number of Research, Development, and Innovation project activities linked to sustainability stand out as proof of the company's commitment to this matter.

During 2022, the Dragados Group had 29 ongoing Research, Development, and Innovation projects, 16 of which had sustainability-related activities.

The projects developed by the Research, Development, and Innovation Departments of the Group are focused on solving specific challenges and opportunities arising in the current construction sector, which is one of the fundamental value-creation activities. Thus, the main lines of Research, Development, and Innovation activities linked to sustainability are related to:

- Solutions with an impact on sustainability, efficiency, and climate change:
 - Development of materials and construction methods to improve infrastructure durability and resilience.
 - Improving resource efficiency.
 - Development of new solutions in Renewable Energies (offshore and onshore wind farms).
- Automation of operations, digitisation, and data management:
 - BIM tools, models and solutions.
 - Artificial intelligence.
 - Digital twins.

8. R&D AND INNOVATION AT DRAGADOS

PROJECT EXAMPLES

RESEARCH INTO TEMPERATURES AND MATERIALS FOR THE LA PALMA ROAD

As a result of the volcanic eruption in the Cabeza de Vaca area in the municipality of El Paso on La Palma Island between September and December 2021, some of the island's transport infrastructure was damaged or totally destroyed, with North-South communication being completely disrupted in this area. To restore part of these infrastructures and connect the towns of Puerto Naos and Fuencaliente with Los Llanos, Tzacorte and El Paso, the Ministry of Transport, Mobility and the Urban Agenda awarded DRAGADOS the emergency works for the construction of a road segment to be partially executed on the lava streams generated by the eruption. The section that mainly runs through the lava streams connecting the LP-213 to the LP-215 is a conventional road, 4 km long, with a project speed of 70 km/h with a single carriageway and one lane per direction, of which 2.4 km are built on lava.

The main factor that places restrictions on the construction works is the high temperatures existing in the lava streams area, which on the surface could range from 150° to more than 350° at a depth of 1 m and up to more than 450° at a depth 3 m depth, since the works were performed only six

months after the end of the eruption. These temperatures affect both earthworks and road elements, especially the packing of the road surface.

In order to design and plan both the road layout and the construction work, extensive research had to be carried out to find about the behaviour of the lava streams. Some of the main research was a study of the temperatures along the axis of the route, both on the surface and at different depths, by installing thermocouples, flying an infrared camera, with the aim of obtaining a surface temperature map and a geophysical research campaign through georadar to locate areas with hollow spaces, such as glass tubes and homes over which the lava had flowed, which could result in area of collapse both during the works and during the subsequent operating phase.

Another point that has required significant research work was the selection of materials to build embankments. Since these are newly created materials from the volcano flow, numerous tests were necessary to verify their suitability and a novel design that facilitates dissipation and isolates the heat from the lower layers.



8. R&D AND INNOVATION AT DRAGADOS



The surface layer also posed a significant challenge to ensure its performance over time and the safety of vehicles travelling on the road. To this end, an innovative design for the surface packing was carried out, with numerous tests carried out both in the laboratory and in test segments, with the aim of selecting the best options for the construction of the road, verifying both their performance from the structural point of view and the constructive process.

This work has provided a solution to an emergency project that had to be carried out, making future infrastructure te-

chnically feasible, making its execution possible, and providing it with an optimum useful life, which makes it sustainable, something that conventional solutions do not offer.

The complexity of the work carried out required a series of research activities that will be continued in the VOLCASH Project, which began in 2023 and will be developed over the next few years, where, among other tasks, the aim is to study the material of volcanic ash deposits for their subsequent use.

OPTIMISATION OF THE TUNNEL BORING MACHINE (TBM) PERFORMANCE USING MODELLING AND ARTIFICIAL INTELLIGENCE - TBM DB_IA (DRAGADOS)

The objective of this project is to provide real-time operational intelligence to tunnel boring machines (TBMs) in order to improve their performance, reduce risks and reduce their operating cost.

To achieve this, the project uses two types of techniques to analyse the performance data of the tunnel boring machine:

- The analysis is based on physical models of the various components of the tunnel boring machine that are combined with data generated by the machine and the construction site while the excavation is being carried out.
- The artificial Intelligence is based on the analysis of the TBM and work site data while it is generated.

8. R&D AND INNOVATION AT DRAGADOS

The end result desired using these two systems is to make operational adjustments in order to optimise the performance of the tunnel boring machine. This means that "operator assistance" is put in place on the basis of much more complex information than a single person can reasonably handle in real time. It is conceptually similar system to the advanced driving assistance ones that are starting to be seen in modern cars.

There are a number of areas of the TBM excavation sector where the operator can assist and improve the performance of the machine, in the following areas:

- Optimising soil conditioning, reducing the use of conditioning substances, and improving sustainability.
- Ground deformation control.
- Progress rate optimisation.
- Terrain prediction ahead of the machine makes it possible to anticipate risks.

- Anomaly detection.
- Tool wearing monitoring and maintenance planning.

This project is currently being developed by Dragados and Dragados USA, has been implemented in the Los Angeles Effluent Outfall and Chesapeake Bay Bridge Tunnel projects, and is about to be implemented in the Hampton Roads Bridge-Tunnel Expansion, actions that Dragados USA is carrying out in the United States.

In addition, during 2022, the development of the TBM DB_IA Project began, the objective of which is to globally store and analyse the data generated in all Dragados works executed with TBM. Not only would the information from the work in progress be analysed for decision-making purposes, but also the experience of other works already executed or in progress would be available for analysis.

SEMI-SUBMERSIBLE PLATFORM FOR WIND TURBINE SUPPORT (DRAGADOS)

Over the last few years, Dragados has been working on the development of renewable energy solutions for both onshore and offshore wind farms. Some of the projects developed are the CAPEMA Project: Self-funding caissons for offshore wind farms, developed between 2012 and 2015, or the MENHIR Project: Floating concrete platform for the exploitation of wind resources in deep waters, executed between 2015 and 2018, coordinated by Dragados. Both solutions are patented by Dragados nationally and internationally. Given its versatility, these solutions have been progressively adapted to meet the requirements of the projects that Dragados tendered.

During the year 2022, the patent for the Menhir floating platform in Chile was published and the application is currently being processed.

These projects are in continuous evolution, and during the year 2022, a patent for a new semi-submersible platform for wind turbine support, a more sustainable solution than the one developed in the Menhir Project, has been applied for.

This semi-submersible platform comprises a composite structure, which means a significant reduction in weight and material volumes compared to other concrete solutions, while at the same time considerably lowering the centre of gravity of the whole, which has a very favourable effect on the naval stability of the platform. There is also a significant increase in turbine loads of 15 MW (and even higher) compared to the 10 MW proposed in the Menhir Project.

REINCARNATE PROJECT (VÍAS)

The REINCARNATE Project: Reincarnation of construction products and materials by slowing down and extending cycles is a European project initiated in 2022 that is being funded by the European Health and Digital Executive Agency (HADEA) (Grant Agreement No. 101056773- HORIZON-CL4-2021-TWIN-TRANSITION-01). The consortium includes 16

partners from different EU member states and Hong Kong (China), forming a multidisciplinary team with extensive experience in digital twins, life cycle analysis, materials assessment, social sciences, construction, architecture, and asset management.

8. R&D AND INNOVATION AT DRAGADOS

The project explores new ways to achieve a more sustainable construction industry that consolidates the shift from a linear to a circular economy, through the development of:

- An information system or model called CP-IM that will help to evaluate the on-site use of building components and materials that make up a building, following the principles of the circular economy.
- A series of innovations based on emerging digital technologies (such as digital twin rendering, artificial intelligence, and robotic automation), which are being applied in the field of building inspection, solutions for construction and deconstruction planning, and the identification, automatic sorting, and reduction of construction and demolition waste (CDW).
- New knowledge in the field of social sciences will provide insight into how awareness can be raised within the construction industry at large so that construction

products and materials can be "reincarnated" and reused as high quality products. In addition, guidelines for business processes will be developed, an e-learning platform including new training material will be developed, and proposals for new standards will also be formulated.

The project envisages several pilot sites, all of them located in Europe, which will allow for a final demonstration of the innovations obtained. Among them, we highlight the extension and improvement works of a waste water treatment plant (WWTP) that has been proposed as a demonstrator by VIAS, this being an ideal scenario for a complex industrial project in an urban environment that will allow the applicability of the solutions obtained in the REINCARNATE project to be demonstrated.



In addition to the R&D projects developed by Dragados, work continues on the development of innovative activities in the works in progress. Many of these innovations include advances that improve sustainability. Examples include:

8. R&D AND INNOVATION AT DRAGADOS

EARTH FRIENDLY CONCRETE (DRAGADOS UK)

HS2's Euston Station project has seen what is, to date, the largest low-carbon concrete construction ever undertaken in the history of the UK.

Earth-Friendly Concrete (EFC), a sustainable alternative to traditional concrete, is becoming increasingly popular in the construction industry. This type of concrete reduces greenhouse gas emissions due to the low amount of carbon embedded in the concrete. For the Euston station project, it saved a total of 80 tonnes of CO₂ during the manufacturing process.

Earth-Friendly Concrete is a geopolymer concrete containing a combination of granulated blast furnace slag (GGBS), fly ash, and a blend of chemical activators that replace Portland cement. A major improvement in the field of geopolymers has been the development of a new mix capable of providing the consistency and workability necessary to carry out the processes of transporting and placing concrete. The geopolymer binder system reduces embodied carbon by around 70%, saving 250 kg/m³ of CO₂ emitted.

The Dragados project at Euston Station (London, UK) is an outstanding example of the implementation of Earth-Friendly Concrete. The project has executed an Earth-Friendly Concrete slab that will support the polymer silos used for the future piling works in the northern part of

Euston station. Although the foundation is temporary, it will be in use for some years.

The use of Earth-Friendly Concrete is a breakthrough, as it would normally have been built with traditional Portland cement concrete that would have increased the carbon footprint. One of the main reasons why EFC is a sustainable innovation is that it significantly reduces greenhouse gases (GHG) from the construction industry while maintaining the technical characteristics that allow its use in infrastructure such as buildings and pavements.

In conclusion, the use of Earth-Friendly Concrete for Euston Station is an innovative solution that significantly reduces the environmental impact of this project while offering mechanical properties and durability, similar to Portland cement. Higher compressive strength, tensile strength, and durability make it more resistant to erosion and cracking. This improves the overall resilience of the project to extreme weather events and natural disasters.

One of the main objectives of the Euston project is to reduce carbon emissions by 50% compared to the original design. The use of a low-carbon concrete alternative to Portland cement concrete represents a pioneering sustainable solution to reduce CO₂ emissions in the project and achieve the Net-Zero construction targets for 2035.



8. R&D AND INNOVATION AT DRAGADOS

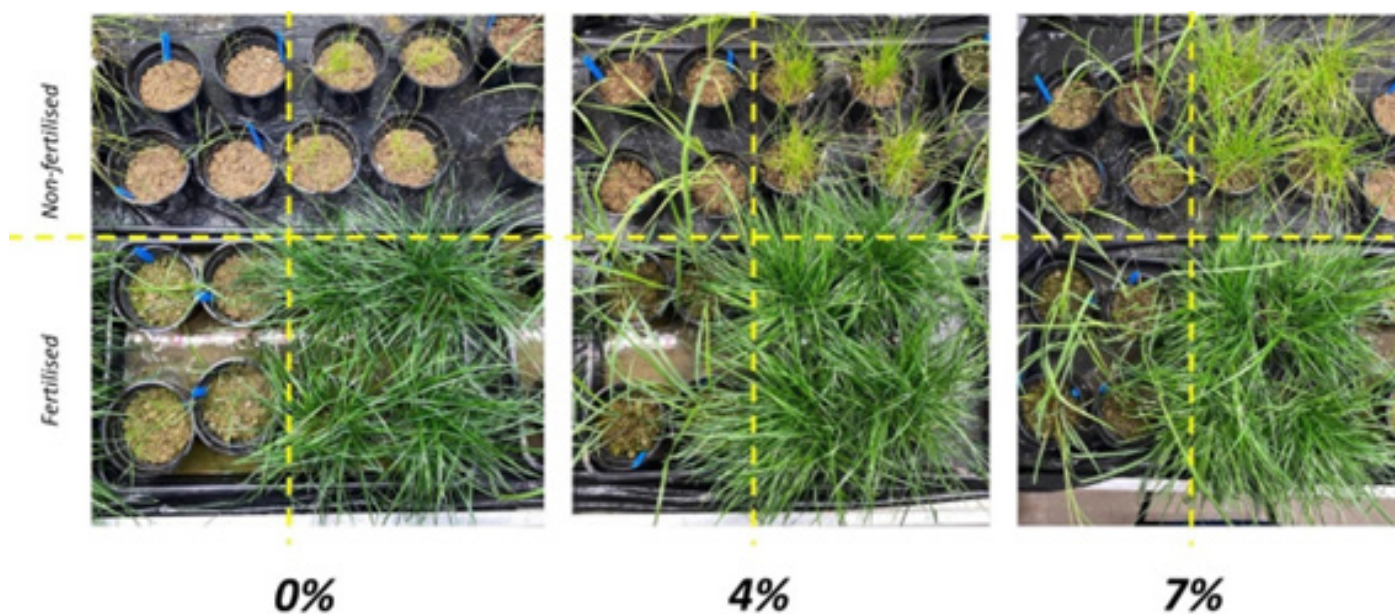
REUSE OF EXCAVATED SOIL (DRAGADOS UK)

The HS2 Project at Euston Station involves the excavation of 1 million m³ of material, the majority of which is London clay. Today, clays are beneficially reused for flood protection and landfill. However, construction has given greater consideration to the reuse of excavated material, valuing its use for environmental purposes, an objective in line with improving sustainability and helping the transition to a circular economy. Dragados, in collaboration with Mace and two research centres, has studied the potential for improving the London Clay excavated in the HS2 works for use as a growing medium capable of supporting plant growth, which can be used in local landscaping and environmental restoration projects.

A greenhouse and outdoor experiment was conducted with the aim of understanding the physical and chemical properties of excavated material (i.e. London clay and polymers used in excavation processes), sand, and organic matter, assessing the effect of different levels of clay and organic content on grass germination and growth under

both greenhouse and natural environmental conditions, understanding the limitations to plant health, and vigour at different levels of clay and organic content, with and without fertilisation, reporting on any changes in carbon and nutrient content after planting, and suggesting appropriate enhancement of clay with sand, organic matter and fertilisation to produce successful growth for landscaping and restoration.

The results showed good growth during the first month, but growth was limited thereafter due to the absence of additional fertilisation (low nitrogen and phosphorus availability). The improvement of the material used for fertiliser, the addition of 4% to 7% organic matter with sand, together with additional considerations such as less compaction of the material and the use of coarser particles to improve drainage and aid root growth, make this material suitable for use for the environmental and sustainable purposes sought.



ANNEX

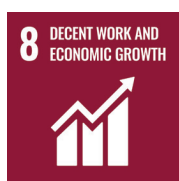
CONTRIBUTION TO THE ACHIEVEMENT OF THE SUSTAINABLE DEVELOPMENT GOALS

SCOPE OF THE DATAS

ANNEX: CONTRIBUTION TO THE ACHIEVEMENT OF THE SUSTAINABLE DEVELOPMENT GOALS

Through the development of its activity focused on the development of infrastructure, the Dragados Group works to achieve the commitments of the 2030 Agenda on sustainable development. In this sense, the Group measures its performance in contributing to the Sustainable Development Goals (SDGs) that are most interrelated with its activity. This contribution is further enhanced by its size and international presence.

Following approval of the new 2025 Sustainability Plan, the Dragados Group has determined that it contributes substantially to the achievement of 6 Sustainable Development Goals linked to the Group's activity through commitments established and strategic lines.



GOAL 8: PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL

SPECIFIC GOALS TO WHICH THE DRAGADOS GROUP CONTRIBUTES

- 8.2 Achieving higher levels of economic productivity through diversification, technological upgrading, and innovation.
- 8.4 Progressively improving global resource efficiency in production and consumption by 2030 and aiming to decouple economic growth from environmental degradation.
- 8.5 Achieving full, productive, and decent employment and equal pay for all.
- 8.6 Reducing the proportion of young people who are unemployed and not in educational programmes.
- 8.8 Protecting labour rights and promoting a safe and secure working environment for all workers.

CONTRIBUTION OF THE DRAGADOS GROUP

As a global company, the Dragados Group participates in the development of key sectors for the world economy and provides work for a large number of people. Furthermore, the Group understands the important role that having local roots and being sensitive to the unique features of each site plays in the company's success. The Group companies are committed to remaining in the majority of the regions where they operate, actively contributing to the economic and social development of these environments, contracting a high percentage of local suppliers and workers.

The Group is committed to the professional development of its employees and is a strong advocate of internationally recognised human and labour rights. The company also encourages, respects, and protects the freedom to participate in trade unions and the right of association of its workers. Likewise, occupational health and safety is a priority objective for the ACS Group in the development of all the Group's activities.

ASSOCIATED 2025 SUSTAINABILITY PLAN COMMITMENTS

- Prioritising occupational health and safety of employees and contractors
- Driving economic and social development at the service of the local community
- Being a benchmark group in the development of specialised and diverse talent

MANAGEMENT AND MONITORING INDICATORS

- Number of employees: 8,818
- % local employees: 99.9%
- % local suppliers: 95.8%
- Number of hours of training per year: 187,992
- % employees covered by management and occupational safety systems: 100%



GOAL 9: BUILDING RESILIENT INFRASTRUCTURE, PROMOTING INCLUSIVE AND SUSTAINABLE INDUSTRIALISATION AND FOSTERING INNOVATION

SPECIFIC GOALS TO WHICH THE DRAGADOS GROUP CONTRIBUTES

- 9.1 Developing reliable, sustainable, resilient, and quality infrastructure to support economic development and human well-being.
- 9.4 Upgrading infrastructure and converting industries to make them sustainable, using resources more efficiently, and promoting the adoption of clean and environmentally sound technologies and industrial processes.
- 9.a Facilitating the development of sustainable and resilient infrastructure in developing countries through increased financial, technological, and technical support.

CONTRIBUTION OF THE DRAGADOS GROUP

Through its infrastructure and industrial development activity, the Dragados Group makes a decisive contribution to the economic progress of societies and the well-being of people. The Dragados Group is also firmly committed to being a benchmark in sustainable infrastructure.

The Group supports investment in R&D, using resources more efficiently and promoting the adoption of sustainable technologies and industrial processes.

ASSOCIATED 2025 SUSTAINABILITY PLAN COMMITMENTS

- Being a benchmark in sustainable infrastructure

MANAGEMENT AND MONITORING INDICATORS

- Sales in projects with sustainable certifications: €1,129,000,000
- R&D investment: €4,730,000



GOAL 10: REDUCE INEQUALITY WITHIN AND AMONG COUNTRIES

SPECIFIC GOALS TO WHICH THE DRAGADOS GROUP CONTRIBUTES

10.2 Promoting the social, economic, and political inclusion of all persons.

10.3 Ensuring equal opportunities and reducing inequality of outcomes.

CONTRIBUTION OF THE DRAGADOS GROUP

Through its infrastructure construction activities in undeveloped countries, the Dragados Group contributes to the reduction of inequalities between countries by generating a favourable economic and social environment for their development.

ASSOCIATED 2025 SUSTAINABILITY PLAN COMMITMENTS

- Being a benchmark group in the development of specialised and diverse talent
- Driving economic and social development at the service of the local community

INDICADORES DE GESTIÓN Y SEGUIMIENTO

- % of local employees: 99,9%
- % of local suppliers: 95,8%



GOAL 11: MAKING CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE

SPECIFIC GOALS TO WHICH THE DRAGADOS GROUP CONTRIBUTES

11.2 Provide access to safe, affordable, accessible and sustainable transport systems for all and improve road safety.

11.3 Between now and 2030, increase inclusive and sustainable urban development.

CONTRIBUTION OF THE DRAGADOS GROUP

Through its various activities, the Dragados Group provides services that help create more efficient and sustainable cities. These include sustainable building, the construction of public transportation systems, traffic management services, etc.

In addition, the Group contributes to R&D projects for the development of more efficient and resilient materials and more sustainable cities.

ASSOCIATED 2025 SUSTAINABILITY MASTER PLAN COMMITMENTS

- Being a benchmark in sustainable infrastructure

MANAGEMENT AND MONITORING INDICATORS

- Sales in projects with sustainable certifications: €1,129,000,000
- R&D projects related to sustainability: 16



GOAL 12: ENSURING SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

SPECIFIC GOALS TO WHICH THE DRAGADOS GROUP CONTRIBUTES

12.2 Achieving sustainable management and efficient use of natural resources between now and 2030.

12.5 Significantly reducing waste generation by 2030 through prevention, reduction, recycling, and reuse.

CONTRIBUTION OF THE DRAGADOS GROUP

The Dragados Group promotes responsible management of its entire supply chain and implements measures for the efficient use of natural resources in all its projects. From the design phase to execution, the use of sustainable materials is encouraged, water and energy consumption is rationalised, and waste is properly managed, promoting its prevention and minimisation with the aim of maintaining a percentage of waste destined for reuse and recycling at 80%.

On the other hand, the Dragados Group promotes the evaluation of its suppliers in terms of sustainability, with the objective of reaching 100% of its suppliers evaluated by 2025.

ASSOCIATED 2025 SUSTAINABILITY PLAN COMMITMENTS

- Integrating circularity in our activities.
- Ensuring responsible supply chain management in line with commitments and performance standards.

MANAGEMENT AND MONITORING INDICATORS

- % of waste destined for reuse and recycling: 70.9%
- % suppliers assessed in the last 3 years in terms of sustainability: 30.5%



GOAL 13: TAKING URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS EFFECTS

SPECIFIC GOALS TO WHICH THE DRAGADOS GROUP CONTRIBUTES

- 13.1 Strengthening resilience to climate-related risks.
- 13.3 Improving awareness of climate change mitigation and adaptation.

CONTRIBUTION OF THE DRAGADOS GROUP

The Dragados Group strives to contribute to the transition to a low-carbon economy by including measures to adapt to and mitigate climate change in its activities, as well as identifying opportunities for the promotion of environmentally-friendly products and services that minimise its impact. As such, the Dragados Group is committed to anticipating its climate neutrality by 2045, as well as improving the measurement of its footprint and reducing it in the short and medium term.

ASSOCIATED 2025 SUSTAINABILITY PLAN COMMITMENTS

- Anticipating climate neutrality by 2045
- Sustainability in the governance model

MANAGEMENT AND MONITORING INDICATORS

- Change in Scope 1 emissions (vs 2019): -1.9%
- Variation in Scope 2 emissions (vs 2019): -20.1%
- Renewable energy as a percentage of total: 45.4%

ANNEX: SCOPE OF THE DATA

ENVIRONMENT

% of turnover	2019	2020	2021	2022
Certifications				
Implementation of ISO 14001 certification	94.17%	98.97%	99.74%	100.00%
Implementation of other environmental certifications	94.17%	98.97%	99.74%	100.00%
Projects registered and certified as efficient construction	100.00%	100.00%	100.00%	100.00%
Emissions				
Petrol (million litres)	70.58%	81.05%	87.98%	88.77%
Diesel (million litres)	70.58%	81.05%	87.98%	88.77%
LPG (million litres)	70.58%	81.05%	87.98%	88.77%
Natural Gas (kWh)	70.58%	81.05%	87.98%	88.77%
Biofuel (million litres)	70.58%	81.05%	87.98%	88.77%
Electricity (MWh)	70.58%	81.05%	87.98%	88.77%
Electricity from renewable sources (MWh)	70.58%	81.05%	87.98%	88.77%
Scope 1 emissions	70.58%	81.05%	87.98%	88.77%
Scope 2 emissions	70.58%	81.05%	87.98%	88.77%
Scope 3 emissions - Travel	68.93%	79.56%	95.84%	96.14%
Scope 3 emissions - Materials			82.79%	85.00%
Scope 3 emissions - Waste			87.98%	88.77%
Amount of significant atmospheric emissions, in kg of NOx	68.93%	79.56%	87.98%	88.77%
Amount of significant atmospheric emissions, in kg of SOx	68.93%	79.56%	87.98%	88.77%
Amount of significant atmospheric emissions, in kg of VOCs	68.93%	79.56%	87.98%	88.77%
Waste				
Hazardous waste (t)	70.58%	81.05%	87.98%	88.77%
Non-hazardous waste (t)	70.58%	81.05%	87.98%	88.77%
Water resources				
Water withdrawal (m³)	70.58%	81.05%	87.98%	88.77%
Water withdrawal in water stress areas (m³)	70.58%	81.05%	87.98%	88.77%
Water discharge (m³)	70.58%	81.05%	87.98%	88.77%
Water discharge in water stress areas (m³)	70.58%	81.05%	87.98%	88.77%
Biodiversity				
Surface area of the projects located in areas of high value for biodiversity	70.71%	75.70%	71.59%	75.66%
Surface area restored during the year (Hectares)	74.22%	77.20%	71.59%	75.66%

Materials (% of turnover)	2020	2021	2022
Total wood purchased (m3)	80.52%	82.79%	85.00%
Percentage of certified wood	80.52%	82.79%	85.00%
Total steel purchased (t)	80.52%	82.79%	85.00%
Percentage of recycled steel	80.52%	82.79%	85.00%
Total concrete purchased (m3)	80.52%	82.79%	85.00%
Percentage of cement/concrete with recycled aggregate	80.52%	82.79%	85.00%
Total glass purchased (m2)	80.52%	82.79%	85.00%
Percentage of recycled glass	80.52%	82.79%	85.00%

PEOPLE

% of employees	2019	2020	2021	2022
Total employees	88.00%	88.80%	90.31%	94.51%
Local employees	88.00%	88.80%	90.31%	94.51%
Of the employees reported, number of women with a management position (construction/project manager or similar and higher)	88.00%	88.80%	90.31%	94.51%
Work-family life balance measures	88.00%	88.80%	90.31%	94.51%
Percentage of men/women who return to work after paternity/maternity leave	88.00%	88.80%	90.31%	94.51%
Employees affiliated with trade union organisations	88.00%	88.80%	90.31%	94.51%
Employees covered by collective bargaining agreements or by an independent trade union	88.00%	88.80%	90.31%	94.51%
Employees trained	88.00%	88.80%	90.31%	94.51%
Total teaching hours given	88.00%	88.80%	90.31%	94.51%
Breakdown of hours by professional category	88.00%	88.80%	90.31%	94.51%

HEALTH AND SAFETY

% of turnover	2019	2020	2021	2022
Investment in health and safety (millions of euros)	92.60%	98.30%	98.30%	98.39%
Employees who have received health and safety training during the year (%)	92.60%	98.30%	98.30%	98.39%
Employees who have received health and safety training during their career with the company (%)	92.60%	98.30%	98.30%	98.39%
Percentage of total employees covered by OSHAS 18001 and ISO45001	92.60%	98.30%	98.30%	98.39%
Frequency rate. Company staff	92.60%	98.30%	98.30%	98.39%
Severity rate. Company staff	92.60%	98.30%	98.30%	98.39%
Incidence rate. Company staff	92.60%	98.30%	98.30%	98.39%
Frequency rate. Subcontractors	92.60%	98.30%	98.30%	98.39%
Total number of cases of occupational diseases (employees)	92.60%	98.30%	98.30%	98.39%
Total number of cases of occupational diseases (contractors)	92.60%	98.30%	98.30%	98.39%

REGULATORY COMPLIANCE

% of employees	2019	2020	2021	2022
Number of communications received and handled by the Ethics Channel	100.00%	100.00%	100.00%	100.00%
Scope of the training plans regarding the company's Human Rights, Ethics, Integrity, Conduct, or Compliance Procedures	88.00%	88.80%	90.31%	94.51%
Number of courses given with content covering the company's human rights, ethics, integrity, conduct, or compliance procedures	88.00%	88.80%	90.31%	94.51%
Number of employees trained in Human Rights, Ethics, Integrity, Conduct, or Compliance Procedures during the year	88.00%	88.80%	90.31%	94.51%
Training hours per trained employee	88.00%	88.80%	90.31%	94.51%
Lawsuits for Human Rights violations	100.00%	100.00%	100.00%	100.00%

% of turnover	2019	2020 (*)	2021	2022
Value of contributions to associations (scope % turnover)	90.80%	95.46%	96.26%	97.64%

SUSTAINABLE PROCUREMENT

% of turnover	2020	2021	2022
Number of suppliers	90.43%	96.62%	97.29%
Signing or acceptance of the Code of Conduct for Business Partners	90.43%	96.62%	97.29%
Training on the Code of Conduct for Business Partners	90.43%	96.62%	97.29%
Supplier approval systems	90.43%	96.62%	97.29%
Weight of non-financial criteria	90.43%	96.62%	97.29%
Critical suppliers. % of total	90.43%	96.62%	97.29%
Suppliers screened in terms of sustainability	90.43%	96.62%	97.29%

QUALITY

% of turnover	2019	2020	2021	2022
Production certified under ISO 9001	92.50%	97.50%	97.32%	97.89%
Number of Quality audits	92.50%	97.50%	97.32%	97.89%
System for measuring client satisfaction	91.10%	97.50%	97.32%	97.97%
Number of client satisfaction surveys received	91.10%	97.50%	97.32%	97.97%
Client responses which are "satisfied" or "very satisfied" out of the total number of surveys received (%)	91.10%	97.50%	97.32%	97.97%
System for measuring client complaints and claims	91.10%	97.50%	97.32%	97.97%
Number of complaints and claims from clients received in the reporting period	91.10%	97.50%	97.32%	97.97%
Number of complaints and claims from clients resolved in the reporting period	91.10%	97.50%	97.32%	97.97%

DRAGADOS

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