

sando

**SUSTAINABILITY
POLICY**

Contents

1. PURPOSE	3
2. SCOPE OF APPLICATION	3
3. REFERENCE FRAMEWORK	4
4. SUSTAINABLE BUSINESS MODEL	5
5. STRATEGIC SUSTAINABILITY LINES	6
6. SUSTAINABILITY GOVERNANCE	¡Error! Marcador no definido.
7. COMMUNICATION OF THIS POLICY	9

The Board of Directors of GRUPO EMPRESARIAL SANDO S.A. (hereinafter, SANDO), within its general and non-delegable authority to determine the Company's general policies and strategies, and following prior review and proposal by the Sustainability Department, has approved this *Sustainability Policy* (hereinafter, the "**Policy**").

1. PURPOSE

This Policy aims to articulate SANDO's purpose to all its stakeholders: to be a company recognised for the effective integration of sustainable management in its operations and the ongoing search for new, innovative solutions that contribute to sustainable development.

This document serves as a global policy establishing the overarching principles for all other sustainability policies of SANDO. In doing so, it lays the foundations for the Company to continue developing responsible practices that contribute to social progress, environmental balance and economic growth.

This global policy is conceived with a holistic approach that takes into account the social, environmental and economic implications of current actions and decisions. It is based on the development model expressed by Gro Harlem Brundtland: "*Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs*".

2. SCOPE OF APPLICATION

This *Policy* applies to all entities belonging to the Sando Group, in accordance with their specific characteristics. Accordingly, all references in this *Policy* to the Sando Group shall be understood as including all companies over which SANDO exercises effective control, regardless of their geographical location.

This Policy does not apply to subsidiaries or minority investees over which SANDO does not exercise direct or indirect effective control. Such entities shall have their own internal policies or regulations governing the matter, which may under no circumstances contradict the provisions of this *Policy*.

3. REFERENCE FRAMEWORK

SANDO recognises the need to monitor international studies and proposals to progress collectively towards a more sustainable and circular economy. To this end, the UN Sustainable Development Goals (SDGs) are integrated into our business model. We also consider the conclusions of international bodies such as the IPCC (Intergovernmental Panel on Climate Change), the IPBES (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services) and the UN Global Compact,

together with the commitments undertaken and opportunities identified in the various COPs (UN Conferences of the Parties) on Climate Change or Biodiversity.

SANDO sets out the following commitments in its relationship with suppliers and contractors:

The Sustainability Policy is aligned with international reference standards for managing each of the three ESG areas (Environmental, Social and Governance). Notable among these are the principles integrated into Sando's sustainability management:

- Universal Declaration of Human Rights (UDHR) of the United Nations
- International Labour Organization (ILO) standards
- United Nations Sustainable Development Goals (SDGs)
- Ten Principles of the United Nations Global Compact
- OECD Guidelines for Multinational Enterprises
- ISO 26000 Social Responsibility Principles
- Convention on Biological Diversity (CBD), promoting biodiversity conservation and the prevention of natural resource overexploitation

This Policy is closely linked to the following internal policies of the Sando Group:

- Sando Group Code of Conduct
- Tax Compliance Policy
- Policy on Conduct in the Private Sector and Conflicts of Interest
- Policy on Relations with Authorities and Public Officials
- Environmental Compliance Policy
- Quality Policy
- Environmental and Energy Policy
- Sustainable Procurement Policy
- Equality Plan
- Occupational Risk Prevention Policy
- Human Rights Policy
- Sustainable Procurement Policy

4. SUSTAINABLE BUSINESS MODEL

SANDO is a key actor in the transition towards a circular and decarbonised economy, and acts as a strategic partner for public and private bodies in developing efficient environmental solutions for cities and industries.

Aware of the impact of its activities, the Company has integrated sustainability into the strategic management of all Group companies, pursuing a balance between economic, environmental and social dimensions, and investing effort in the development of the communities where it operates, generating employment and economic value.

To ensure Sando's workforce is aware of their individual sustainability responsibilities, this Policy is communicated to all professionals, suppliers and collaborators of the entity.

Principles

- ✓ **Honesty and business integrity** guide the Company's working methods and all employees.
- ✓ **Sustainability is the main assessment criterion** for any new project.
- ✓ **A portion of profits is reinvested** in goods and services of public interest to contribute to the community, especially to the most vulnerable.
- ✓ **Well-being of employees** is promoted through good workplace conditions, occupational risk control, and work-life balance.
- ✓ **Quality** is the top priority in all solutions developed for clients.
- ✓ **Commitment** to excellence and professional rigour in relationships with stakeholders.

Environmental, Social and Governance (ESG) Premises

- ✓ **Environmental:** both in internal management and in construction and restoration processes; respect for the environment through biodiversity protection, prevention of negative impacts such as pollution, efficient use of raw materials, water management and climate change mitigation.
- ✓ **Social:** promotion of stable employment, workplace safety, work-life balance, equal opportunities and social cohesion.
- ✓ **Economic:** medium- and long-term sustainability based on knowledge and innovation as key competitive differentiators, together with the development of solutions that improve economic, social and environmental performance.

5. STRATEGIC SUSTAINABILITY LINES

SANDO's sustainability management seeks to meet stakeholder expectations while contributing to the UN SDGs and the Ten Principles of the UN Global Compact.

The integration of these sustainability requirements is set out in the **Strategic Sustainability Plan**, which is periodically reviewed. This plan serves as the Company's roadmap, ensuring effective and cross-cutting integration of sustainability in all business areas and organisational levels, extending this culture to clients, suppliers, partners and all stakeholders.

The main strategic lines come from a double materiality assessment, in which key impacts, risks and opportunities were identified. These include:

- **Ethical and sustainable governance:** promoting ethical conduct, transparency and good governance from the Board of Directors of Grupo Sando's parent company, which, as an ethical benchmark, has adopted stringent good-governance and compliance policies that are applicable to all Grupo Sando employees, as well as its entire supply chain and collaborators. Among other measures, the Board of Directors has established policies, protocols and control mechanisms that ensure data privacy and cybersecurity; the protection of fundamental human rights; and the prevention of corruption, bribery, money laundering, fraud or anti-competitive practices, as well as a whistleblowing channel pursuant to Act 2/2023, of 20 February, regulating the protection of persons who report regulatory infringements and corruption, to detect possible non-compliance in these areas, and to support due-diligence programmes throughout its supply chain. In this way, the Board of Directors focuses not only on customer satisfaction in the delivery of services but also on non-financial management aspects, with the aim of reaching Grupo Sando's different collaborators and ensuring that the interactions and expectations of all stakeholders are met.
- **Innovation and excellence in our services:** Implementation of management systems ensuring maximum quality and innovation for clients, in accordance with standards such as ISO 9001:2015 and UNE 166002:2021. Sustainability is integrated into service delivery through innovative construction solutions and R&D&I projects that enhance operational efficiency and foster innovation as part of the Company's culture.
- **Integrated environmental management:** Implementation of a management system aligned with legislation and standards, such as ISO 14001:2015 and UNE-EN ISO 50001:2018. Measures are established to identify, monitor and reduce negative impacts, such as carbon footprint, water footprint, energy consumption and raw material use. Circular economy is the cornerstone of SANDO's business model. Work includes environmental research projects, renewable energy

initiatives, smart water cycle technologies (smartwater) and solutions improving ecosystem conditions.

- **Fundamental human rights:** SANDO respects and contributes to the protection of internationally recognised fundamental human rights, ensuring it is not complicit in any form of abuse. Policies, protocols, and control and reporting mechanisms apply to employees and the supply chain.
- **Occupational health and safety:** Implementation of an occupational health and safety management system aligned with legislation and standards, such as ISO 45001:2018. Investment is made in training employees, suppliers and collaborators, as well as in innovative projects that optimise safety and health conditions.
- **Culture of opportunities:** People management is focused on measures to ensure effective integration of equality and diversity; a workplace free from sexual and workplace harassment; work-life balance; transparency in recruitment and promotion processes; and pay equity. Policies, plans, monitoring mechanisms and awareness-raising programmes are implemented for employees, suppliers and collaborators.
- **Professional development and working conditions:** SANDO considers its workforce its greatest asset. The Company invests in professional development through training programmes aimed at strengthening professional growth, commitment and motivation. Measures include internal promotion, performance recognition, flexible working hours, remote work, insurance and discounts on cultural and leisure activities.
- **Value creation for the community:** Through client solutions that foster local socio-economic development, create employment, build strategic infrastructure, improve territorial cohesion, create community spaces and humanise urban areas, or enhance access to essential services such as healthcare, drinking water and sanitation. Community engagement also includes social awareness initiatives and sponsorships through the Sando Foundation.
- **Active and transparent communication with stakeholders:** SANDO establishes active communication systems, using dialogue as a strategic tool to understand stakeholder expectations and build trust. Committed to transparency and accountability, the Company provides rigorous, truthful and transparent information to stakeholders.

6. SUSTAINABILITY GOVERNANCE

The Sustainability Committee implements sustainability actions at SANDO under the supervision of the Group's Sustainability Director. All actions are approved and led by the Company's highest governing bodies, the Board of Directors, which includes profiles specialised in ESG.

The Sustainability Committee approves, monitors and evaluates the Company's sustainability strategy and practices, set out in the **Strategic Sustainability Plan**, which is reviewed and updated periodically. This Plan sets out the Company's various strategic lines and objectives in the area of sustainability.

Indicators consider applicable reporting standards, legislation, and international frameworks referenced earlier. The different areas monitor them, represented in the Sustainability Committee.

Thus, Sando's **sustainability management system** includes the commitments set out in this Policy, the objectives established in the Strategic Sustainability Plan, and performance monitoring.

Progress against objectives is reported annually in the **Sustainability Report**, and specific performance reports may be issued for clients, partners and/or bodies, such as the Global Compact.

7. COMMUNICATION OF THIS POLICY

This Sustainability Policy shall be communicated to all administrators, managers and employees of the Sando Group and reinforced through periodic awareness and reminder actions.

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NOTE: This Policy was approved by the **Board of Directors of Grupo Sando at its meeting on 30 September 2024**, and is published on the Group's intranet/website.

October 2024