



Annual Activity Report of the Audit and Sustainability Committee of ACS, Actividades de Construcción y Servicios, S.A. for 2024

Madrid, 27 March 2025

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ANNUAL ACTIVITY REPORT OF THE AUDIT AND SUSTAINABILITY COMMITTEE OF ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. FOR 2024

1. STATUTE

Section 529 terdecies of the revised text of the Spanish Corporate Enterprises Act [*Ley de Sociedades de Capital*], enacted by Royal Legislative Decree 1/2010 of 2 July (the “**Corporate Enterprises Act**”) establishes that listed companies must set up an audit committee, and section 529 quaterdecies Corporate Enterprises Act regulates its composition, functioning and functions.

ACS, Actividades de Construcción y Servicios, S.A. (“**ACS**” or the “**Company**”) has an Audit and Sustainability Committee for which the rules of composition, functions and functioning are regulated in Article 21 of the Articles of Association, having been developed through Articles 25 and 26 of the Rules of the Board of Directors.

This 2024 ACS Audit and Sustainability Committee Activity Report has been prepared in accordance with Recommendation 6 of the Good Governance Code (“**Good Governance Code**”), and in accordance with the recommendations of the Spanish National Securities Market Commission's (“**CNMV**”) Technical Guide 1/2024 (“**Technical Guide 1/2024**”) on Audit Committees of public interest entities, while also taking into account the best corporate governance practices. The report will be published on the corporate website before the Company's Annual General Meeting is held.

Without prejudice to the proposed amendment of the Rules of the Board of Directors to be submitted to the Board for approval at the proposal of this Committee at its next meeting on 27 March 2025, the articles and provisions of the Rules referred to in this report correspond to the version in force in 2024.

2. COMPOSITION

In accordance with ACS’ Articles of Association and the Rules of the Board of Directors, the Audit and Sustainability Committee will be made up exclusively of non-executive Board members, with a minimum of three and a maximum of five members. The majority of the Audit and Sustainability Committee members will be independent Board members, and one of them will be appointed taking into account their knowledge and expertise in accounting or audit matters, or both, ensuring that all of the Audit and Sustainability Committee members as a group and its Chair in particular are appointed taking into account their financial and non-financial experience and expertise in accounting, auditing and risk management, and in any other areas that may be suitable for the Committee to fulfil all of its duties.

In any case, the number of members of the Committee will be determined by the Board directly by express agreement or indirectly upon filling the vacant positions or the appointment of new members within the established maximum.

In 2024, the composition of the Audit and Sustainability Committee underwent a series of changes, and as of 31 December 2024, it was as follows:

Name	Position	Category	Date first appointment	Date last appointment
MR JOSÉ ELADIO SECO DOMÍNGUEZ	Chair	Independent	31/03/2021	31/03/2021
MS CARMEN FERNÁNDEZ ROZADO	Member	Independent	28/02/2017	31/03/2021
MR EMILIO GARCÍA GALLEGO	Member	Independent	13/11/2014	05/05/2023
MS CATALINA MIÑARRO BRUGAROLAS	Member	Independent	28/04/2015	05/05/2023
MS MARÍA SOLEDAD PÉREZ RODRÍGUEZ	Member	Proprietary	13/11/2014	05/05/2023
MR JOSÉ LUIS DEL VALLE PÉREZ	Non-member secretary			

- **JOSÉ ELADIO SECO DOMÍNGUEZ (Chair)**. Born in Veguellina de Órbigo, León in 1947. He graduated as a Civil Engineer from the Escuela Superior de ICCP de Madrid [Madrid School of Engineering], specialising in Transportation, Ports and Town Planning.

He began his professional career in 1972 in the public engineering company INECO, where he worked in various posts until he became International Director, joining RENFE in 1988, where he also held several positions. In 2000 he was appointed Executive Chair of INECO until 2002, when he was appointed Chair and CEO of AENA, a position he held until 2004, when he was appointed Advisor to the Chair of RENFE.

He has also acted as an advisor to OCA, S.A., Prointec, Collosa, Incosa, National Express-Alsa, Menzies Aviation and Stadler Rail, and has been Chair of the Spanish consortium for the concession and operation of the Río de Janeiro-São Paulo-Campinas (Brazil) high-speed railroad. He is currently a Senior Advisor at Kearney.

- **CARMEN FERNÁNDEZ ROZADO (Member)**. She holds a Bachelor degree in Business and Economic Sciences and in Political and Sociology Sciences from the Complutense University of Madrid, and a PhD in Government Taxation from the same university. She has completed the Senior Management Program (PADE) at the IESE Business School (University of Navarre). Government Tax Inspector and Auditor.

She began her career in 1984 at the Ministry of Treasury, where she also held several positions at the State Tax Administration Agency. In 1999, she was appointed as a member of the Board of the National Energy Commission (Comisión Nacional de la Energía), a position she held until 2011. Since then, she has been an international consultant for the development and execution of business plans in Energy and Infrastructure in a variety of countries of Latin America and Asia. During 2012 and 2013 she was a member of the Advisory Board of EY. She is a member of the Advisory Board of Beragua Capital Advisory. Between 2021 and 2022 she was a director of Primafrío and, from 2015 until 2024, she was a director and member of the Audit Committee and the Corporate Governance and Sustainability Committee of EDP (Energías de Portugal) in Lisbon.

She is a professor at various Spanish and foreign universities and business schools, and the author of numerous Articles and publications on Taxation, Energy and Sustainability.

- **EMILIO GARCÍA GALLEGRO (Member)**. Born in Cabreiroá, Orense in 1947. Qualified as a civil engineer (Madrid 1971), he holds a Law Degree (Barcelona 1982) and has taken doctorate studies at the Polytechnic University of Catalonia. He has also completed the following official courses: Groundwater Hydrology at the School of Industrial Engineers of Barcelona; Management Improvement (1984-85) at the School of Public Administration of Catalonia; Coastal Engineering at the School of Civil Engineering of Catalonia (ETSICCP); and Port Engineering and Oceanographic Engineering at the School of Civil Engineering of Catalonia.

His teaching activity has included the position of professor in charge of the ‘Soil Mechanics and Special Foundations’ course at the Barcelona School of Architecture (1974-82) and professor in charge of the doctorate course entitled ‘Consolidation of soft and weak ground’ at the Barcelona School of Architecture (1979-80).

He has also been an engineer for the River Policing Authority of the eastern Pyrenees, engineer for Fomento de Obras y Construcciones, representative for the Catalonia area of the company “Grandes Redes Eléctricas, S.A.”, Head of the Ports Service of the Regional Government of Catalonia and co-director of the Ports Plan of Catalonia, general manager for Infrastructure and Transportation of the Regional Government of Galicia, general manager for Transportation of the Regional Government of Catalonia, and deputy manager of the Water Treatment Council and deputy manager of the Water Board of the Regional Government, general manager of Public Works of the Regional Government of Galicia and chair of the Water Board of Galicia, chair of the Entity Managing Railway Infrastructures, adhered to the Ministry of Development and responsible for executing the entire High Speed railway infrastructure, and Chair of Puertos de Galicia. He currently works as a freelance civil engineer.

- **CATALINA MIÑARRO BRUGAROLAS (Member)**. Born in Madrid in 1963. She holds a degree in Law awarded in 1986 by the Complutense University of Madrid, and she passed the examination to become a State Counsel in 1989.

Currently on extended leave of absence, she served as State Counsel at the National High Court and at the Court of Auditors, in the Directorate General of the Treasury and Finance Policy, as Secretary to the Madrid Regional Financial and Administrative Tribunal, as State Counsel in the Ministry of Health and Consumer Affairs, and as State Counsel at the Madrid High Court of Justice.

She has also served as Technical General Secretary to the Office of the Presidency of the Autonomous Community of Madrid, Chief Legal Officer of the State holding company Sociedad Estatal de Participaciones Estatales, Secretary to the Board of Sociedad Estatal de Transición al Euro, Secretary of the Board of Saeta Yield and a Director of Autoestradas de Galicia, S.A.

She is currently an independent director of Mapfre, S.A., as well as a director of two of its subsidiaries, Mapfre España and Mapfre Internacional.

- **MARÍA SOLEDAD PÉREZ RODRÍGUEZ (Member)**. Born in Madrid in 1943. She holds a Degree in Chemistry and a Degree in Pharmacy from the Complutense University of Madrid.

She has been a professor in colleges in Madrid and a technical advisor for Geblasa, S.A., a chemical products import and export company, and an associate pharmacist in the Pharmacy Office of Madrid (Oficina de Farmacia de Madrid). She was director of several Group subsidiaries (ACS Servicios Comunicaciones y Energía, S.L., and Dragados, S.A.) and is also currently director of ACS and its subsidiary ACS Servicios y Concesiones, S.L.

The Audit and Sustainability Committee members, as a whole, bring together the relevant technical knowledge in relation to the respective business sector in which the Company operates, both in terms of their academic training and their professional experience. In this regard, their skills and knowledge in the three main business areas (construction, industrial services and services) and in management, economic, financial, business, accounting and auditing, internal control and risk management, and business areas, correspond on the whole to the needs of the Committee for the full performance of its duties, without prejudice to the additional training provided through the training programme developed during the year, particularly on sustainability, risks and internal control, information security, privacy and compliance, with the participation of external advisors in some cases.

In terms of gender diversity, the majority presence of women on the Audit and Sustainability Committee should be highlighted.

On the corporate website of the Company, detailed information on the Committee members and their professional career is available to shareholders, investors and other interested parties.

3. DUTIES

The duties of the Audit and Sustainability Committee are set out in Articles 25 and 26 of the Rules of the Board of Directors.

Article 25 bestows the following powers to the Committee:

- In relation to the oversight of financial and non-financial information:
 - a) To report to the General Meeting on all matters arising within the mandate of the Committee and, in particular, on the result of the audit, explaining how the audit contributed to the integrity of the financial information and the role that the Committee played in that process.
 - b) To oversee and evaluate the preparation and presentation of the financial and non-financial information of the Company and where applicable, that of the group, while reviewing the compliance with regulatory requirements and ensuring the adequacy of the consolidation scope defined and the appropriate application of accounting criteria, and in particular knowing, understanding and overseeing the efficiency of the internal financial information control system (IFICS). The Committee may present recommendations or proposals to the Board to safeguard the integrity of the financial information.
 - c) To first report to the Board on the financial information and directors' report, which will include, where appropriate, the mandatory non-financial information that the Company must periodically publish.
 - d) To ensure that the Annual Financial Statements that the Board submits to the General Meeting are drawn up in accordance with accounting regulations and that, in cases where the auditor has indicated a qualification in its report, the Chair of the Audit and Sustainability Committee explains its content and scope with clarity in the General Meeting in the opinion of the Audit and Sustainability Committee, placing a summary of their opinion at the shareholders' disposal when the meeting call is published, together with the other proposals and reports.
- In relation to the oversight of internal controls and internal audits:
 - e) To oversee the effectiveness of the Company's internal controls, ensuring that the internal control policies and procedures in place are applied effectively in practice, and that of the internal audit, while discussing any significant weaknesses in the internal control system identified during the performance of the audit with the statutory auditor, all of which must be done without

compromising its independence, while providing its conclusion on the level of its trust in and reliability of the system. To this end, as the case may be, it may make recommendations or proposals to the Board and define the corresponding time-frame allowed for follow-up.

- f) To oversee the independence of the department that undertakes the internal audit; propose the selection, appointment and removal of the head of the internal audit department; propose the budget for the service; approve its guidance and the annual audit work plan, while ensuring that its activities are directed principally towards key risks (including reputational risks); receive regular information on internal activities; ensure that senior management takes the conclusions and recommendations of internal audit reports into consideration; and annually assess the performance of the internal audit department, and the performance of the duties by the respective individual in charge of it.
 - g) To establish and oversee a whistle-blowing mechanism that lets employees and others related to the Company, such as Board members, suppliers, contractors and subcontractors, confidentially report any potentially significant violations, including those of a financial or accounting nature, or of any other nature, in relation to the Company that they may observe in the Company and its group, by receiving periodic reports on its performance, while having the power to suggest timely actions for improvement and to reduce the risk in the future.
- As pertains to the oversight of risk management and control:
- h) To supervise and evaluate the effectiveness of the financial and non-financial risk management systems related to the Company and its group, including operational, technological, legal, social, environmental, political and reputational risks and those related to corruption.
 - i) To re-assess, at least annually, the list of the most significant financial and non-financial risks and assess the respective level of risk tolerance, while proposing, where appropriate, the corresponding adjustment to the Board. For these purposes, the Committee will hold, at least annually, a meeting with the heads of the business units in which they will explain the business trends and associated risks.
 - j) To directly oversee the performance of the internal control and risk management functions carried out by any unit or department of the Company.
- In relation to the external auditor:
- k) To submit proposals to the Board for the selection, appointment, re-election and replacement of the external auditor, being responsible for the selection process, and the terms and conditions of its engagement, and to this end it must:
 1. define the process for selection of the auditor; and

2. issue a justified proposal that will contain at least two alternatives for the selection of the auditor, except in the case of the auditor's re-appointment.
- l) To obtain regular information from the external auditor on the audit plan and its execution, and any other issues related to the financial auditing process, in particular any discrepancies that may arise between the statutory auditor and the Company's management, in addition to preserving its independence while performing its functions.
 - m) To establish the appropriate relationships with the external auditor for the purpose of receiving information on any matter that may jeopardise the respective independence, for the examination of the Committee, and any other matter relating to the development process of the financial auditing, and when applicable authorise the services other than those which are prohibited, under the terms provided for in the applicable legislation, in addition to any other notification provided for under Spanish laws regarding financial auditing and technical auditing standards.

In any case, it must receive a statement from the external auditors each year attesting to their independence in relation to the entity or entities directly or indirectly related to it, and detailed and individualised information on the additional services of any kind rendered and the corresponding fees received from these entities by the external auditor or by the persons or entities related to it in accordance with auditing legislation.

- n) To issue a report on an annual basis, in advance of the issuance of the audit report, expressing an opinion on whether the independence of the statutory auditor has been maintained. This report will in any case address the reasoned assessment of each and all of the services referred to in the preceding paragraph, considered both individually and as a whole, and the system in place to assure auditor independence and compliance with prevailing audit regulations.
- ñ) To examine the circumstances and reasons in the event of resignation of the external auditor.
- o) To ensure that the remuneration of the external auditor's work does not compromise its quality or independence, in addition to establishing a guideline cap on the fees that the auditor may receive annually for services other than auditing.
- p) To oversee reporting by the company of any change of auditor to the CNMV, and to ensure that it is accompanied by a statement with regard to the possible existence of any disagreements with the outgoing auditor and their content.
- q) To ensure that the external auditor holds an annual meeting with the whole of the board to report on the audit work carried out and on the evolution of accounting matters and the risks to which the Company is exposed.

- r) To ensure that the Company and the external auditor respect prevailing regulations governing the provision of services other than audit, the limits on the concentration of the auditor's business and the terms of regulations governing auditor independence in general.
 - s) To perform a final assessment of the auditor's actions and to what extent contributions were made to the quality of the audit and the integrity of the financial information.
- Other duties:
- t) To report on Related-party Transactions to be approved by the General Meeting or the Board, and to oversee the internal procedures established by the Company for which approval has been delegated by the Board in accordance with the legislation in force.
 - u) To report to the Board on all matters where so required by Law, the Articles of Association and the Rules of the Board of Directors, in particular with regard to:
 - 1. the financial conditions, accounting impact and, as the case may be, exchange equation concerning transactions involving structural and corporate changes that the Company plans to carry out; and
 - 2. the creation or acquisition of investments in special purpose vehicles registered in countries or territories listed as tax havens.

The contents of (k), (l), (m), and (n) above must be understood as without prejudice to the legislation governing statutory auditing.

Article 26 of the Rules of the Board of Directors attributes the following duties to the Committee relating to corporate governance and sustainability in environmental and social matters:

- a) Supervision of compliance with corporate governance rules and the Company's internal codes of conduct, also ensuring that the corporate culture is aligned with its purpose and values.
- b) Supervision of the application of the general policy on communicating financial/economic and non-financial corporate information and on communications with shareholders and investors, proxy advisors and other stakeholders. The way in which the Company communicates and relates to small and medium-sized shareholders will also be monitored.
- c) Regular evaluation of the suitability of the company's system of corporate governance to ensure that it fulfils its mission of promoting the corporate interest and takes the legitimate interests of the remaining stakeholders into account in an appropriate manner.

- d) Supervision to ensure that the Company's environmental and social practices comply with the defined strategy and policy.
- e) Supervision and evaluation of relations processes with the different stakeholders.

4. MEETINGS HELD DURING THE YEAR AND ATTENDEES AT THEM. IN PARTICULAR, ATTENDANCE OF THE INTERNAL AUDITOR AND THE EXTERNAL AUDITOR

In accordance with Article 25 of the Rules of the Board of Directors, the ACS Audit and Sustainability Committee:

- Must meet as often as it may be convened by the Chair, and in any event it meets at the beginning and end of the audit of the Company's and the Group's individual and consolidated financial statements, and before the issue of the pertinent audit reports. The Committee also must meet on the occasion of the preparation of the mandatory financial information that the Company is required to publish.
- Will be deemed duly convened when the majority of its members are present, and it will adopt resolutions by majority vote of the attendees, with the Chair having the deciding vote in the event of a tie.
- The Company's auditor and the internal auditor may attend meetings of the Audit and Sustainability Committee where specifically invited to explain key issues arising from the audit procedures carried out. Likewise, when this is expressly agreed upon by the Committee members and at the invitation of the Chair, any employees and managers of the Company may attend.

In the period from 1 January to 31 December 2024, the Audit and Sustainability Committee held a total of **8 meetings** (one in writing and without a meeting).

Meeting date	No. of Committee members	No. of members attending the meeting (*)	Presence of executives	Presence of external advisors
29 February 2024	5	4	Yes	Yes
31 March 2024	5	4	Yes	Yes
4 April 2024 (**)	5	5	No	No
14 May 2024	5	5	Yes	Yes
25 June 2024	5	3	Yes	No
30 July 2024	5	4	Yes	Yes

12 November 2024	5	4	Yes	Yes
19 December 2024	5	4	Yes	Yes

(*) In addition to physical attendance at meetings, remote attendance by telematic means allowing the director to interact directly is included. For these purposes, proxies are not counted as attendances.

(**) On 4 April 2024, the Committee members passed resolutions in writing without a meeting.

The meetings of the Committee held during 2024 were attended, at the invitation of the Chair, and to report on various issues within the scope of their functions, by:

- the **Corporate General Manager of the Company**, who attended a total of 7 meetings;
- the **Head of Internal Audit** of ACS attended a total of 5 meetings in 2024, specifically those held on 29 February, 21 March, 14 May, 30 July and 12 November;
- for their part, the **External Auditors** attended a total of 6 meetings, in particular those held on 29 February, 21 March, 14 May, 30 July and 12 November and 19 December, to report on the performance of their activity, and in particular in relation to the financial information submitted to the Committee;
- the **Head of the Tax Department** attended the meetings held on 21 March and 12 November;
- the **Compliance and Corporate Governance Director** attended the meetings held on 29 February, 30 July, 12 November and 19 December;
- the **Sustainability Director** attended the meetings held on 14 May, 30 July, 12 November and 19 December;
- the **Risk Officer** attended the meetings held on 29 February, 14 May and 25 June;
- the **Data Protection Officer** attended the meeting held on 19 December;
- and the **CISO** attended the meeting held on 19 December.

In any case, the purpose of the appearance of the aforementioned persons was to provide the information and/or clarifications necessary for the Committee to better perform its functions and was limited to those points on the agenda for which they were required, and they were not present at the internal deliberation and decision phase of the Audit and Sustainability Committee meetings.

5. SIGNIFICANT ACTIVITIES PERFORMED IN 2024

The most significant activities of the Audit and Sustainability Committee during 2024 focused on the following matters:

a) Oversight of financial and non-financial reporting

As regards quarterly and half-yearly **financial reporting**, although the Revised Text of the Corporate Enterprises Act repealed section 120 of the Securities Market Act and hence the obligation of securities issuers to send the CNMV, and publish, quarterly financial reports, the Company continues to prepare those reports, and in this regard, before they were submitted, the Audit and Sustainability Committee supervised the half-yearly financial reports and the financial information sent to the CNMV quarterly and made public as “Other Material Information”.

This review applies to information contained in the official formats of the CNMV and to the information that the Company reports to the CNMV for the publication of its quarterly and half-yearly results, which serves to verify that the information stated therein is coherent, while analysing the rationality of the criteria applied and the accuracy of its figures.

In this regard, at its meetings held on 14 May and 30 July with the external auditor and the Corporate General Manager in attendance, the Audit and Sustainability Committee examined and reported favourably on the **individual and consolidated financial statements for the first quarter and the first half of 2024**. In turn, at its meeting held on 12 November, the Audit and Sustainability Committee examined and reported favourably on the **individual and consolidated financial statements for the period ended on 30 September 2024**.

In relation to **annual financial reporting**, at its meetings held on 29 February and 21 March 2024 with the external auditor and Corporate General Manager present, the Audit and Sustainability Committee **examined the individual and consolidated financial statements for 2023** and, in light of the information provided by the external auditor, reported favourably.

As regards **non-financial reporting**, at its meeting held on 21 March 2024 the Committee examined the non-financial information contained in the Management Report for the 2023 financial year. It also reported favourably on the **Annual Corporate Governance Report** for 2023.

In turn, on 14 May 2024, the Chief Sustainability Officer presented the **ACS Group Sustainability Monitoring Report** for the first quarter of 2024, on 30 July 2024 the ACS Group Sustainability Monitoring Report for the first half of 2024, and on 12 November 2024 the Sustainability Monitoring Report for the first nine months of the year, and the Committee unanimously approved the **double materiality assessment** set forth in that report. Finally, on 19 December 2024 the Committee was informed concerning the **ESG Report**.

b) Internal control and risk management

To respond to the need for global and homogeneous risk management, the Company has established a risk management model which includes the identification, assessment,

classification, evaluation, processing and monitoring of risks at the Group level and that of the operational Divisions. When these risks have been identified, a risk schedule is prepared which is updated regularly based on the different variables involved and the types of activities in which the Group is involved, assessing them on the basis of the respective impact and the probability of occurrence.

To this end, the effectiveness of the risk control systems are assessed and verified periodically by the internal audits of the production units and by the Corporate Internal Audit of ACS, which contributes to the management of the general risks the Group faces in achieving its objectives. The alerts, recommendations and conclusions generated are reported both to Group Management and to the heads of the business segments and companies assessed.

Based on the above, in 2024 **the Audit and Sustainability Committee oversaw the effectiveness of the internal controls of the Company, of the Internal Audit and the risk management systems**, identifying and analysing the risks and monitoring the financial and non-financial indicators of the main companies of each of the business areas.

In particular, the Chief Risk Officer presented the “Managing climate change-related risks and opportunities” report on 29 February, the 2024 first-quarter Risk Management Report on 14 May, and on 25 June the Risk Management Report setting out his duties, the most important measures taken in 2023 and the first half of 2024, and the objectives for 2024.

On her part, at the meetings held on 29 February 2024 and 21 March 2024 (with data as at 31 December 2023), the Chief Compliance and Corporate Governance Officer informed the Committee of the conclusions drawn by the **Annual Compliance Monitoring Report** for 2023, and at the meeting of 30 July 2024 (data as at 30 June 2024), of the **half-yearly Compliance Report**, which concluded that the ACS Group had met the targets the ACS Compliance and Governance Committee had set for the first half of 2024, mainly focused on worldwide implementation of its cross-sectional compliance model based on **ISO 37301** standard.

In addition, the Chief Compliance Officer presented to the Committee the analysis of the responses submitted by the Divisions to the **Global Compliance Report for the first half of 2024** and the compliance risk reports submitted by the various compliance advisors consulted in each of the compliance disciplines reported.

At its meeting on 19 December 2024, the Committee approved the Compliance budget for the 2025 financial year for submission to the Board of Directors.

Likewise, the Audit and Sustainability Committee at its meeting on 21 March **approved the Tax Memorandum for the 2023** period presented by the Director of the Company’s Tax Department and produced in accordance with the Code of Best Tax Practices, which makes reference to the 2023 Tax Expenses and to the tax situation of the ACS Group. Furthermore, at the Committee's meeting held on 12 November 2024, the Director of the Tax Department presented the **Fiscal Transparency Report for 2023** to the Committee, which reported favourably and resolved to submit it to the Board.

c) In relation to the Internal Audit

The ACS Group's Internal Corporate Audit functions are carried out by the Company's Internal Audit Department, which coordinates the internal auditing of the Group's various business segments. The Corporate Internal Audit Department is included in the organisational structure as a body reporting hierarchically to Corporate General Management and functionally to the Board's Audit and Sustainability Committee.

As a result of its work, the internal audit departments of the Group companies issue a written report that summarises the work carried out, the situations identified and the action plan including, where applicable, the timetable and persons responsible for correcting the situations identified, along with opportunities for improvement. These reports are sent to the head of the business area and to Corporate General Management.

Each year, the Corporate Internal Audit Department submits an Activities Report to the Audit and Sustainability Committee that contains a summary of the activities carried out and the reports drawn up during the year, and monitoring the main significant aspects and recommendations contained in the various reports.

In the meetings held on 29 February and 21 March 2024, the Corporate Internal Audit Department, within the framework of its functions, submitted the **2023 Internal Audit Activities Report and the Internal Audit Plan for 2024** to the Audit and Sustainability Committee.

Likewise, the Corporate Internal Audit Department presented to the Audit and Sustainability Committee in its meetings of 29 February, 14 May, 30 July and 12 November 2024 a **summary of the reports prepared and the status of the internal audits of the respective business areas**, also including the conclusions of all the internal audits.

d) In relation to the External Auditor

In compliance with its duties in regard to the external auditor, **the Audit and Sustainability Committee holds meetings with the External Auditor on a regular basis** and, in any case, whenever there is a review of the interim financial statements for the first and second half of the year before their approval, and before Board meeting to prepare both the full annual individual financial statements of the Company and those of its consolidated Group.

In this regard, with the presence of the external auditor at the meetings held on 29 February, 21 March, 14 May, 30 July, 12 November and 19 December, the main features of the accounts were reported on, and at the meeting of 19 December 2024, the auditor reported on the preliminary conclusions of the audit of 2024.

In addition, at the meeting held on 21 March 2024, the external auditor presented the list of non-audit work carried out in 2023, which was approved by the Committee.

In addition, at the meeting on 14 May, the external auditor presented the audit plan for 2024 and on 12 November it presented the **scope and focus of the audit work** and the **schedule** of work for 2024.

e) In relation to supervising compliance with the Company's corporate environmental, social and governance policies and rules, and internal codes of conduct

The Audit and Sustainability Committee's was significantly more active in 2024 than in previous years in two of its areas of responsibility: Sustainability and Governance.

This was largely a consequence of the relevance of the regulatory developments promoted within the European Union organisation in relation to **technological innovation** and the **digital transformation**, advancing the transition towards **sustainable development in the areas of human rights, the environment, and climate change**, and dissemination by supervisory authorities and international bodies of standards and recommendations in these areas.

Of particular note in this respect are the *Corporate Sustainability Due Diligence Directive (CS3D)*¹, the *Corporate Sustainability Reporting Directive (CSRD)*², the *Artificial Intelligence Regulation*³, the *Cybersecurity Directive (NIS 2)*⁴, and the *Cybersecurity Good Governance Code (GGC)*⁵.

In addition to the above, at the national level (in some cases with their regulatory origin in the European Union), various standards and recommendations in the area of **corporate governance** of companies, especially listed companies, have recently been approved, e.g., the *Equal Representation and Balance between Women and Men Act* (which has set a target for listed companies to have at least 40% women board members), the *LGBTI Equality Act*⁶, *Technical Guide 1/2024* updating various aspects of the previous version from 2017, and the *Code of Best Practice for Investors*⁷.

All the above has generated significant new market expectations as to the responses by large business groups to this new regulatory context.

¹ Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on corporate sustainability due diligence and amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859.

² Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 as regards corporate sustainability reporting.

³ Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on artificial intelligence (Artificial Intelligence Regulation).

⁴ Directive (EU) 2022/2555 of the European Parliament and of the Council of 14 December 2022 on measures for a high common level of cybersecurity across the Union, amending Regulation (EU) No 910/2014 and Directive (EU) 2018/1972, and repealing Directive (EU) 2016/1148 (NIS 2 Directive).

⁵ *Good governance code for cybersecurity* of 14 July 2024, of the National Cybersecurity Forum.

⁶ Law 4/2023, of 28 February, for the real and effective equality of trans persons and guaranteeing the rights of LGTBI persons [*Ley 4/2023 de 28 de febrero para la igualdad real y efectiva de las personas trans y para la garantía de los derechos de las personas LGTBI*].

⁷ The CNMV's Code of Best Practices for Institutional Investors, Asset Managers and Proxy Advisors in relation to their duties in respect of assets entrusted or services provided, of 22 February 2023.

Accordingly, as a result of the intense work carried out in 2024 by different departments of the Company, coordinated by the Compliance and Governance Committee, under the responsibility of the Audit and Sustainability Committee to supervise compliance with the rules of corporate governance and the Company's internal codes of conduct and to review the corporate governance system as a whole, at its meeting held on 19 December 2024 the Committee reviewed the proposal to revise the Company's Governance System and submitted proposals for updating the ACS codes of conduct and basic policies in matters of Sustainability, Compliance, Data Protection, Information Security (Cybersecurity), Artificial Intelligence, Risks, and Corporate Governance to the Board. The main changes in this respect are summarised below:

- **Sustainability**

- Updates to the Sustainability Policy, now named the *Overall Sustainability Policy*, covering the aspects of both market information (the new Sustainability Report) and so-called Due Diligence measures.
- Under this Overall Policy the *Human Rights, Environmental, Sustainable Procurement, Occupational Health and Safety, Code of Conduct for Business Partners*, policies and the *Corporate Sustainability Due Diligence Protocol* have been updated.

- **Compliance**

- Specific aspects of the *Code of Conduct* and the *Overall Compliance Policy* have been updated to include certain principles mainly related to new sustainability, data, information security, cybersecurity, and artificial intelligence legislation and regulations.
- In this connection, revisions have been made to very specific aspects of the *Criminal and Anti-Bribery Compliance Policy, Compliance with International Sanctions, Gifts and Hospitality, Relations with Public Officials and the Equivalent, the Global Compliance Management System Framework Document, and the Whistleblower Protection Policy* (Ethical Reporting Channel), and a *Conflicts of Interest Policy* has been proposed, one of the relevant rules still pending as regards Compliance.

All this work has enabled the Company to maintain its ISO and UNE certifications and various relevant reputational ratings in the marketplace.

- With respect to markets, the *Securities Market Conduct Regulation (SMP) (RIC)*, the *Treasury Stock Policy*, and the *Related-Party Transactions Protocol* have been updated in line with the Spanish Investment Services and Securities Markets Act and Technical Guide 1/2024.
- With respect to competition, the *Competition Compliance Policy and Protocol* has been expanded and updated to include the new Guidelines and Action Protocols

of the competition regulatory authorities, incorporating the basic principles on merger control and National Government aid.

- **Data Protection**

- The *General Data Protection Policy* has been drawn up to fill an existing gap following publication of the EU Data Protection Regulation⁸ and supplementary Spanish legislation on data protection and the protection of the fundamental rights of honour, privacy, and image (Spanish Organic Law 1/1982⁹).

- **Information Security**

- The *Information Security and Cybersecurity Policy* and the *Artificial Intelligence Policy* have been drawn up. The regulatory basis emanates from the Artificial Intelligence Regulation applicable as of 2 February 2025, the Cybersecurity Directive (NIS2) applicable from 17 October 2024 upon expiry of the transposition deadline, and the Good Governance code on Cybersecurity issued by the CNMV in July 2023.

- **Risks**

- On the initiative of the Risk Department, the *Overall Risk Control and Management Policy* has been updated to establish, in particular, a common corporate framework for development of a system by the different Group companies and also take certification standards into account.

- **Corporate Governance**

- The *Corporate Governance Policy* has been updated in line with the new CNMV Guidelines and Recommendations, with governance principles in matters of sustainability and information security, and with the *Information Reporting, Contacts and Engagement with Shareholders, Institutional Investors, Asset Managers, Proxy Advisors, and other Stakeholders Policy* in line with the Code of Best Practice for Investors and the Public Disclosure Policy released by the CNMV in February and March 2023, respectively.

The preceding internal policies and rules were approved by the Company's Board on 19 December 2024. At that same Board meeting it was agreed to change the name of the Committee to the Audit and Sustainability Committee in consonance with the new functions the Committee has been assigned. The new name was included in the updated

⁸ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).

⁹ Organic Law 1/1982, of 5 May, on civil protection of the right to honour, private and family life and self-image [*Ley Orgánica 1/1982, de 5 de mayo, de protección civil del derecho al honor, a la intimidad personal y familiar y a la propia imagen*].

policies in December 2024 and will also be included in the Board of Director Rules current under review.

Prior to this, in the framework of the work described above, at the meeting of 12 November 2024 the Chief Compliance and Corporate Governance Officer presented the proposed amendments to the *Compliance and Governance Committee Rules*, aimed, at the request of its members, at clarifying the scope of responsibility for the support and internal coordination functions involving Compliance and Corporate Governance, Sustainability, Information Security and Privacy given the cross-sectional nature of these matters and the coordination they require. The amendments were unanimously approved by the Committee.

In this regard, it is important to note that, in accordance with the Group's decentralised management model, ACS, as the parent company of the Group, takes on the task of defining strategy and establishing the basic management guidelines for the Group as a whole by means of the corresponding corporate policies and rules, without prejudice to ordinary and effective management of the businesses by the different companies making up the Group, to ensure an adequate level of coordination and internal control. The Group companies are to design and implement their own policies and rules of conduct in accordance with the strategic guidelines laid down by ACS for the Group, where appropriate establishing their own corporate bodies for internal control functions of audit, risk control, and compliance matters under their own structure. They must further ensure that the requisite information is transmitted to ACS so that it can exercise its functions of defining strategy and coordination and comply with applicable legal requirements.

f) In relation to other functions of the Committee

In the framework of its functions, the Audit and Sustainability Committee is responsible for informing about **Related-Party Transactions** for approval by the General Meeting or the Board and supervising the internal procedures set up by the Company for transactions for which the Board has delegated approval under applicable law in accordance with Article 25.6.t) of the Rules of the Board of Directors.

In this regard, on 3 March 2025 the Audit and Sustainability Committee received the Related-Party Transactions Committee's report on its activities in 2024, which the Committee approved at its meeting of 27 March 2025.

That Report, approved by the Transactions Committee on 28 January 2025, states that the Committee carried out the following activities in 2024:

- At its meeting held on 12 March 2024, it reviewed the information on related-party transactions contained in the annual corporate governance report for 2023 and in the notes to the annual financial statement for that same financial year to ensure that these two documents were consistent.
- In addition, at its meeting held on 18 July 2024, it considered a transaction that it deemed to be a related-party transaction for ACS requiring the approval of the Chief

Executive Officer pursuant to delegation by the Board of Directors, inasmuch as it had a value of less than 10% of the total assets on the last annual balance sheet approved by the Company, was being carried out in arm's length terms at prices applicable for all purchasers generally, and was not in excess of 0.5% of the Company's net turnover. The transaction was therefore submitted to the Chief Executive Officer for approval/ratification, and he approved it on 23 July 2024.

- Further, at its meeting held on 10 December 2024, the Committee approved a proposal to revise the Related-Party Transaction Protocol, mainly to adapt bring it into line with Technical Guide 1/2024 and submitted it to the ACS Audit and Sustainability Committee.
- Finally, actions for dissemination of the Protocol carried out by the Transactions Committee included reviewing the forms for identifying ACS related parties and they were approved for circulation to direct related parties (shareholders that hold at least 10% of the voting shares, directors, and senior management).

Furthermore, Article 9 of the Rules of the Board of Directors establishes that the Board must perform an annual evaluation of the functioning of its Committees based on the reports they submit to the Board. To this end at its meeting held on 21 March, the Committee reported favourably on the **Committee's 2023 Annual Activity Report** (then called the "operating report").

Lastly, at its meeting held on 19 December 2024, the Committee resolved to report favourably to the Board concerning the proposed delegation of issue of the second flexible dividend approved by the General Meeting held on 10 May 2024 to the Executive Committee, the Chair and the Director/Secretary.

6. EVALUATION OF THE FUNCTIONING OF THE AUDIT AND SUSTAINABILITY COMMITTEE AND THE PERFORMANCE OF ITS MEMBERS

In compliance with the obligation to evaluate the functioning of the Board and its Committees, under Articles 9 and 27(4)(1) of the Rules of the Board of Directors, which, in turn, elaborates on section 529 nonies Corporate Enterprises Act for the improvement of corporate governance, and in the Recommendation 36 of the Good Governance Code, the Audit and Sustainability Committee provides its conclusions on the evaluation of its performance in 2024 in this report.

Likewise, within the framework of the evaluation of the Board and its Committees and in line with Recommendation 36 of the Good Governance Code, ACS has been assisted by PwC Tax & Legal Services for the evaluation for 2024, whose evaluation process was completed in March 2025 with the issuance of its evaluation report.

In this report, PwC Tax & Legal Services has concluded, among other aspects, that the development of the meetings and the general functioning of the Audit and Sustainability Committee is adequate, with all its members highlighting the substantial increase in the Committee's activity, mainly in terms of the development of risk and sustainability matters.

In this regard and in relation to the performance of the Committee, as stated in the evaluation report for 2024, as mentioned above, the Committee members stated that its activity is increasing due to the intensification of the tasks inherent to the supervisory function and, specifically, risk control, now more in line with the size of the Group and ACS's own role as the parent company of it, as well as with what they know of other organisations. In this respect, the regular participation of the Chief Risk Officer at the Committee's meetings has been highlighted.

In relation to the above, several Committee members said that they have adequate access to the executives working in the areas of the Committee's activities and that either they attend Committee meetings when asked or the directors meet with them in preparation for Committee meetings when this is deemed appropriate.

The progress made in the areas of sustainability, risks, information security, privacy and compliance as areas of analysis of the Committee was also highlighted, with meetings specifically analysing the risks and opportunities in this area and the now customary participation of the relevant manager in the meetings of the Audit and Sustainability Committee.

7. OPINION OF THE AUDIT AND SUSTAINABILITY COMMITTEE REGARDING THE INDEPENDENCE OF THE STATUTORY AUDITOR

In the exercise of its functions in 2024 **the Audit and Sustainability Committee ensured the independence of the External Auditor in the performance of its duties**, having established the appropriate relations with it to ensure that it is not subject to grounds of incompatibility or abstention and prohibitions, and that any threat to its independence was adequately identified and evaluated, applying, where appropriate, the adequate measures to safeguard against this occurring.

Within the framework of Article 25 of the Rules of the Board of Directors, at the meeting of the Audit and Sustainability Committee on 21 March 2024, the external auditor of the Company informed the Audit and Sustainability Committee of its statement of independence with regard to 2023.

In this respect, the Audit and Sustainability Committee has not become aware, either through its internal procedures or through communications from its auditor, of any aspect that has posed a significant threat to the auditor's independence.

On the other hand, the auditors of ACS and the companies of its Group were paid the following remuneration in 2024, both for the auditing services and for other permitted services:

Main auditor	2024 (thousands of euros)		
	ACS	ACS Group	Total
Audit service fees	1,087	11,605	12,692
Non-audit services	587	1,269	1,856
Services required by the applicable legislation	76	134	210
Other attestation services	511	621	1,143
Fees for tax services	-	207	207
Other services	-	289	296
Total	1,674	12,874	14,548

In view of the above and the information received from the external auditor, including its 2024 statement of independence, which it communicated to this Committee on 27 March 2025, the ACS Audit and Sustainability Committee considers that there are no objective reasons to question the independence of the external auditor, who is, in turn, the Company's independent verifier of sustainability reporting.

8. GOOD GOVERNANCE PRACTICAL GUIDES BEING FOLLOWED

The Audit and Sustainability Committee, in the exercise of its functions, follows both the **recommendations of the Good Governance Code** and the guidelines and criteria of **Technical Guide 1/2024**, while also following the best good corporate governance practices.

9. CONCLUSIONS

On the basis of the above, the Audit and Sustainability Committee is of the opinion that:

- It comprises five **members**, all of whom are non-executive directors and four are **Independent Directors, including its Chair**, by which the composition requirements under section 529 quaterdecies Corporate Enterprises Act and the Rules of the Board of Directors.
- Three of the Audit and Sustainability Committee **members**, including the Chair, were appointed taking into account their **knowledge and experience** in accounting matters, and the Committee members have the necessary abilities and experience, and the relevant technical expertise in the business sector to which the ACS Group belongs, for the Committee to fulfil its functions. In turn, the majority of the members of the Committee are women, demonstrating the firm commitment of the ACS Board to equality between women and men.

- Likewise, the Audit and Sustainability Committee **met as often as necessary** in accordance with Article 25 of the Rules of the Board of Directors and whenever necessary, taking into account its respective powers.
- The Committee members had at their disposal, before the meetings, the **necessary information** in relation to the respective items on the agenda, with its meetings attended in this regard by the different persons and managers related to the performance of its duties, to ensure that the Committee has all the necessary information at its disposal.
- With regard to its functions, the Committee has deliberated and passed resolutions on the main matters within its competence, and the **updating of ACS's Governance System**, including for these purposes the reform of ACS's codes of conduct and basic policies covering the Group in the areas of Sustainability, Compliance, Data Protection, Information Security (Cybersecurity), Artificial Intelligence, Risk, must be highlighted in particular. This has been complemented with the work initiated by the Committee in 2024 to update the Rules of the Board of Directors, which will be submitted for approval by the Board on 27 March 2025.

In conclusion, the ACS Audit and Sustainability Committee assesses the activities carried out in 2024 as being very positive.

10. DATE OF FORMULATION OF THE REPORT BY THE AUDIT AND SUSTAINABILITY COMMITTEE AND DATE OF APPROVAL BY THE BOARD

This ACS Audit and Sustainability Committee report for 2024 was formulated by the Committee on 27 March 2025, and was unanimously approved by the Company's Board at its meeting held on 27 March 2025.