



**ACTIVITY REPORT OF THE AUDIT AND CONTROL COMMITTEE OF FOMENTO  
DE CONSTRUCCIONES Y CONTRATAS, S.A.**

**FISCAL YEAR 2024**



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## **ACTIVITY REPORT OF THE AUDIT AND CONTROL COMMITTEE OF FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. FOR THE YEAR 2024**

### **1. INTRODUCTION**

The Audit and Control Committee (the "**Committee**" or the "**ACC**") of Fomento de Construcciones y Contratas, S.A. ("**FCC**" or the "**Company**"), in accordance with the provisions of Articles 40.7 of the Company's Bylaws and 37.6 of the Regulations of the Board of Directors, prepares this report on its activities and operation during fiscal year 2024 in accordance with the provisions of recommendation 6 of the Good Governance Code of Listed Companies approved by the CNMV on February 18, 2015 and revised on June 26, 2020 (the "**Good Governance Code**") and taking as a reference for these purposes the provisions of CNMV Technical Guide 1/2024 on audit committees of public interest entities (the "**Technical Guide 1/2024**") which updates the 2017 version, as well as the generally accepted practices of good corporate governance.

### **2. REGULATION AND PRACTICAL GUIDELINES BEING FOLLOWED**

The composition, powers and operation of the CAC are regulated in Articles 40 of the Bylaws and 37 of the Board of Regulations, based on provisions of Article 529 quaterdecies of the revised text of the Capital Companies Act, approved by Royal Legislative Decree 1/2010, of July 2 ("**LSC**") and in Law 22/2015, of July 20, 2015, on Account Auditing ("**Account Auditing Act**"), as well as in the recommendations of the Good Governance Code.

In the exercise of its functions, the CAC is based on the provisions of the Code of Good Governance and has also taken into account the basic principles and recommendations of Technical Guide 1/2024.

In particular, report includes the information contained in section 79 of Technical Guide 1/2024.

### **3. COMPOSITION**

In accordance with the provisions of Articles 40.1 of the Bylaws and 37.1 of the Regulations of the Board of , the Board of Directors must have an Audit and Control Committee without executive functions and with information, advisory and proposal-making powers within its scope of action, which shall be composed of a minimum of three (3) and a maximum of six (6) directors, appointed by the Board of Directors taking into account as whole, and especially with regard to its



Chairman, their knowledge and experience in accounting, auditing and risk management, both financial and non-financial, subject to a report from the Appointments and Remuneration Committee, for a period not to exceed their term of office as directors and without prejudice to their being eligible for re-election indefinitely, to the extent that they also re-elected as directors.

All the members of the CAC shall be non-executive directors, and the majority of its members shall be independent directors, one of whom shall be appointed taking into account their knowledge and experience in accounting, auditing or both. As a whole, the members of the CAC shall have the relevant technical knowledge in relation to the Company's sector of activity.

The CAC elects a President from among its independent members, and may also elect a Vice President. The duration of these positions may not exceed four (4) years, nor their terms of office as members of the CAC, and they may be re-elected after at least one year has elapsed since they ceased to hold office. It must also have a Secretary and, if applicable, a Vice-Secretary, who may not be Board Members.

Between January 1 and December 31, 2024, the composition of the CAC was as follows:

Name	Category	Cargo	Date of last appointment
<b>Mr. Álvaro Vázquez de Lapuerta</b>	Independent Director	Chairman	14/06/2023
<b>Mr. Juan Rodríguez Torres</b>	Proprietar y Director	Vocal	27/06/2024
<b>D. Manuel Gil Madrigal</b>	Independent Director	Vocal	14/06/2023
<b>D. Felipe Bernabé García Pérez</b>		Secretary Non-voting	

In compliance with the provisions of Articles 529 quaterdecies LSC and 37.2 of the Regulations of the Board of Directors, as stated above, at least one of the independent members of the Audit and Control Committee must have knowledge and experience in accounting, auditing or both, and this requirement is met by the independent Board Members Mr. Álvaro Vázquez de Lapuerta and Mr. Manuel Gil Madrigal. Likewise, all the members of the Committee have the relevant technical knowledge in relation to the Company's sector of activity.



Below is a description of the professional profile and experience of the members of the ACC, information which is also available on the Company's corporate website ([www.fcc.es](http://www.fcc.es)):

- **Mr. ÁLVARO VÁZQUEZ DE LAPUERTA (Chairman)** holds a degree in Law and Business Administration (E-3) from ICADE. He is currently a partner of the firms Lira Capital and Meridia Partners.

As Deputy Managing Director of BBVA he was responsible for Treasury Clients, Capital Markets, and Investment Banking, as well as Investor Relations at BBVA and CEO of the securities firm BBVA Bolsa. Previously, at JP Morgan in Madrid, London, New York and Mexico he was responsible for, among other areas, Investment Banking and Capital Markets for Latin America, as well as Equities for Europe.

He is also an independent director of FCC and Chairman of its Audit and Control Committee. He is also an independent director of Inmoco, S.A. and a member of its Appointments and Remuneration Committee and Audit and Control Committee.

- **Mr. JUAN RODRÍGUEZ TORRES** is a Civil Engineer from the Universidad Nacional Autónoma de México (UNAM) and Master of Mathematics. He has studied Stage in France at Beton Precontraint, Master's Degree in Engineering Planning and Operations Research at UNAM and Senior Management Program AD-2 of the Instituto Panamericano de Alta Dirección de Empresa (IPADE Business School).

He has been head of Production and Controller of Preesforzados Mexicanos S.A. de ICA, Chief Executive Officer of Grupo Domit, in the footwear sector, and founder and director of several footwear companies. Director of Minera Frisco, S.A.B. de C.V. and Chairman of its Audit Committee, Director of Grupo Sanborns, S.A.B. de C.V., Director of Elementia Materiales, S.A.P.I. de C.V. and member of its Audit Committee, Director of Fortaleza Materiales, S.A.P.I. de C.V. and Chairman of its Audit Committee and Director of CICSA, Chairman of the Board of Directors of Red Nacional Última Milla S.A.P.I. de C.V. and Red Última Milla del Noroeste, S.A.P.I. de C.V., Chairman of the Board of Directors and member of the Audit Committee of Operadora de Sites Mexicanos, S.A.B. de C.V.

He is a proprietary director of FCC at the proposal of CEC, and a member of its Audit and Control Committee and its Appointments and Remuneration Committee.

He is also a proprietary director of Inmoco, S.A., Chairman of the Board and member of its Audit and Control and Appointments and Compensation Committees. He is also the non-executive Chairman and proprietary Director of Realia Business, S.A.

- **MANUEL GIL MADRIGAL** holds a degree in Law and Business Administration (E-3) from ICADE and is a founding partner of Tasmania Gestión. In 2000 he was also founder of the financial company N+1 and has been Director of Vidrala, Ezentis, Funespaña, General de Alquiler de Maquinaria (GAM) and Campofrío, among others.



companies. In his professional career he has also been director of Capital Markets at AB Asesores Bursátiles, partner at Morgan Stanley and auditor at Arthur Andersen. He is also an independent director of FCC and Grupo Barón de Ley.

#### **4. OPERATION**

The operation of the Committee is governed by the following basic principles: responsibility, skepticism, constructive dialogue that promotes freedom of expression and critical attitude of its members, continuous dialogue with Internal Audit, the auditor and, where appropriate, the auditor of the sustainability information and management, capacity for analysis and to request the advice of external experts when deemed appropriate.

The Secretary of the CAC, and where appropriate, the Vice-Secretary, assists the Chairperson and ensures the smooth functioning of the CAC, ensuring that the minutes duly reflect the development of the meetings, the content of deliberations and the resolutions adopted. Minutes of each meeting are taken by the Secretary or whoever performs his or her functions, and are signed by the Secretary of the Committee with the approval of the Chairman.

The ACC is validly constituted when the majority of its members are present or represented, and its resolutions are adopted by absolute majority of its members present or represented, with the Chairman having the casting vote in the event of a tie, in accordance with the provisions of Articles 40.6 of the Bylaws and 37.3 of the Regulations of the Board of Directors.

Articles 40.5 of the Company's Bylaws and 37.6 of the Board Regulations provide that the ACC shall meet at the discretion of its Chairman, or at the request of two of its members, as often as necessary to perform its functions, and at least once a quarter.

to Article 40.7 of the Bylaws and Article 37.6 of the Regulations of the Board of Directors, the ACC shall prepare an action plan for the year, which it shall report to the Board of , as well as a report on its activities during the year, which shall serve as the basis for the Board of Directors' annual evaluation of its operation and that of its Committees in order to propose, on the basis of the results, an action plan to correct the deficiencies detected.

d) of the Regulations of the Board of , the person in charge of the internal audit function submits an annual work plan to the Audit and Control Committee and reports directly on its execution, including any possible incidents and limitations to the scope that may arise in its development, the results and the follow-up of its recommendations. Likewise, at the end of each fiscal year, a report summarizing the activities carried out by the CAC is submitted for information and follow-up.

#### **5. COMPETENCIES**



The ACC has the powers established in Articles 40.4 of the Bylaws and 37.4 of the Regulations of the Board of , in accordance with Article 529 quaterdecies of the LSC and the Audit Law.

The main function of the Audit and Control Committee is to support the Board of Directors in its oversight duties by periodically reviewing, among other things, the process of preparing economic and financial information, its internal controls and the independence of the external auditor.

In particular, by way of example, and without prejudice to other tasks that may be entrusted to it by the Board of Directors, it shall be the responsibility of the ACC:

- a) To report to the General Shareholders' Meeting on matters that arise in relation to those matters that fall within the Committee's competence and, in particular, on the result of the audit, explaining how the audit has contributed to the integrity of the financial information and the role that the Committee has played in this process.
- b) To serve as a channel of communication between the Board of Directors and the Company' external auditor, evaluating the results of each audit, and also to act in relation to the external auditor:
  - (i) to submit to the Board of Directors proposals for the selection, appointment, re-election and replacement of the Statutory Auditor, being responsible for the selection process, in accordance with the provisions of Community regulations, as well as the terms and conditions of his engagement;
  - (ii) to obtain regular information from the external auditor on the audit and the results of its execution, in addition to preserving its independence in the exercise of its functions, and to verify that senior management takes its recommendations into account;
  - (iii) discuss with the Company's external auditor the significant weaknesses of the internal control system detected in the course of the audit, all without infringing its independence.

To this end, and if necessary, the ACC may submit recommendations or proposals to the Board of Directors and the corresponding deadline for their follow-up;

- (iv) to establish the appropriate relations with the external auditor to receive information on those issues that may pose a threat to its independence, for examination by the Committee, and any others related to the process of development of the auditing of accounts and, where appropriate, the authorization of services other than those prohibited, in the terms contemplated in the regulations governing the auditing of accounts on the independence regime, as well as those others

communications provided for in the legislation on auditing of accounts and in the auditing standards;

- (v) to ensure the independence of the external auditor, establishing, in particular, appropriate measures: 1) so that the engagement of advisory and consultancy services with said auditor or companies of its group does not imply a risk to its independence, for which purpose the Committee shall request and receive annually from said auditor the declaration of its independence in relation to the Company or entities directly or indirectly related to it, as well as detailed and individualized information on 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 the provisions of the regulations governing the auditing of accounts; 2) to ensure that the Company notifies the CNMV of the change of auditor and that it is accompanied by a statement on the possible existence of disagreements with the outgoing auditor and, if any, their content, and that in the event of resignation of the external auditor, it examines the circumstances that may have led to such resignation; 3) to ensure that the Company and the external auditor comply with the rules in force on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, the other rules on auditor independence, ensuring also that the remuneration of the external auditor for his work does not compromise its quality or independence; and
  - (vi) to encourage the Company's auditor to assume responsibility for the audits of the companies that make up the Group.
- c) To issue annually, prior to the issuance of the report, a report expressing an opinion as to whether the independence of the auditors or audit firms is compromised. This report shall contain, in any case, a reasoned assessment of the provision of each and every one of the additional services referred to in section b).(v).1) above, individually considered and as a whole, other than the statutory audit and in relation to the independence regime or to the regulations governing the activity of auditing accounts.
  - d) To supervise the Company's internal audit unit, which oversees the proper functioning of the information and internal control systems and which will functionally report to the Chairman of the Committee, with the head of the internal audit function being obliged to submit to the Committee, for its approval, its annual work plan, to report directly to it on its execution, including possible incidents and limitations to the scope that may arise in its development, the results and follow-up of its recommendations, as well as to submit a report on its activities at the end of each fiscal year. The Committee shall ensure that its activities are focused primarily on the relevant risks (including reputational risks).





- e) Supervise the internal risk control and management unit, which will have at least the following functions:
  - (i) ensure the proper functioning of the risk control and management systems and, in particular, that all significant risks affecting the Company are identified, managed and adequately quantified;
  - (ii) actively participate in the development of the risk strategy and in major risk management decisions; and
  - (iii) ensure that the risk control and management systems adequately mitigate risks within the framework of the policy defined by the Board of Directors.
- f) Supervise and analyze the effectiveness of the Company's internal control and the risk control and management policy approved by the Board of Directors, ensuring that it identifies or determines at least:
  - (i) the different types of risks faced by the Company (among others, operational, technological, legal, social, environmental, political and reputational risks, including those related to corruption) by the Company, including financial or economic risks, contingent liabilities and other off-balance sheet risks;
  - (ii) a control and risk management model based on different levels;
  - (iii) the level of risk that the Company considers acceptable;
  - (iv) the measures foreseen to mitigate the impact of the risks identified, should they materialize; and
  - (v) the information and internal control systems to be used to control and manage the aforementioned risks, including contingent liabilities or off-balance sheet risks, and submit it to the Board for approval.
- g) To supervise and periodically evaluate the Compliance Model established in the Company to prevent crimes, illicit acts or acts contrary to the law or the FCC Code of Ethics and Conduct, as well as to propose to the Board of Directors the modifications and updates that contribute to its development and continuous improvement.

In particular, the Commission is responsible for this function:

- (i) To ensure the independence and effectiveness of the Compliance Function, proposing to the Board of Directors the appointment and removal of the persons responsible for the Compliance Function in the Company or, as the case may be, reporting on the proposals.

- (ii) To report on the proposals made by the Appointments and Remuneration Committee regarding the appointment and removal of the members of the body in charge of managing the Compliance Model.
  - (iii) Supervise compliance with the Code of Ethics and Conduct and propose to the Board of Directors the necessary proposals for its improvement, receive information from those responsible for the Compliance Function in relation to initiatives to modify the Code of Ethics and Conduct and any relevant issue for the promotion of knowledge of and compliance with the Code of Ethics and Conduct, proposing to the Board of Directors the appropriate actions for its approval.
  - (iv) Review, through those responsible for the Compliance Function, the Company's internal policies and procedures to prevent inappropriate or unlawful conduct, proposing to the Board of Directors any policies or procedures that are more effective in promoting the highest ethical standards for its approval.
  - (v) Receive periodic information on the activities of those responsible for the Compliance Function in the Company and annually evaluate their performance.
  - (vi) Approve the annual budget of the Company's Compliance Function, as well as its annual plan of activities, ensuring that it has the material and human resources necessary for the performance of its functions.
- h) To supervise the process of preparation and presentation of the Annual Financial Statements and Management , both individual and consolidated, and of the periodic financial information disclosed to the markets, and to submit recommendations or proposals to the Board of Directors, aimed at safeguarding their integrity; ensuring compliance with legal requirements and the correct application of generally accepted accounting principles, reporting to the Board of Directors, prior to the adoption by the latter of the following decisions:
- (i) the financial information and the management report, which shall include, where appropriate, the mandatory non-financial information that the Company must periodically disclose, ensuring that the interim accounts are prepared under the same accounting criteria as the annual accounts and, to this , consider the appropriateness of a limited review by the Company's external auditor; and
  - (ii) the creation or acquisition of shares in special purpose vehicles or entities domiciled in countries or territories considered tax havens, as well as any other transactions or operations of a similar nature that, due to their complexity, could undermine the transparency of the FCC Group.

- i) To ensure that the Annual Accounts that the Board of Directors submits to the General Shareholders' Meeting are prepared in accordance with accounting regulations. In those cases in which the auditor has included a qualification in its audit report, the Chairman of the Audit and Control Committee shall clearly explain the Committee's opinion on its content and scope at the General Shareholders' Meeting, making a summary of said opinion available to the shareholders at the time of publication of the notice of the Meeting, together with the rest of the proposals and reports of the Board of Directors.
- j) In relation to information systems and internal control:
  - (i) supervise and evaluate the preparation process and the integrity of the financial and non-financial information relating to the Company and, where appropriate, its Group, reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria;
  - (ii) supervise and periodically evaluate the internal control and financial and non-financial risk management systems relating to the Company and, where appropriate, its Group, including operational, technological, legal, social, environmental, political and reputational risks or risks related to corruption, so that the main risks are properly identified, managed and disclosed;
  - (iii) to ensure the independence and effectiveness of the internal audit function, proposing the selection, appointment and removal of the head of the internal audit service, as well as the budget of said service, receiving periodic information on its activities and verifying that senior management takes into account the conclusions and recommendations of its reports;
  - (iv) receive regular information from the Response Committee and the Management Control and Risk Management Directorate, respectively, on the development of its activities and the functioning of internal controls;
  - (v) supervise the operation of the Internal Reporting System established in the Company as a mechanism that allows employees and other persons related to the Company, such as Board Members, shareholders, suppliers, contractors or subcontractors, to report potentially significant irregularities, including financial and accounting irregularities, as well as possible breaches of the law and applicable internal regulations detected within the scope of FCC's activities, or of any other nature, related to the Company that they notice within the Company or its Group. This mechanism guarantees confidentiality and provides for the possibility that communications may be made anonymously, respecting, in all cases, the rights of the whistleblower and the reported party.



- (vi) ensuring in general that the policies and systems established for internal control are effectively implemented in practice; and
- k) To report on the Related Transactions to be approved by the General Shareholders' Meeting or the Board of Directors and to supervise the internal procedure established by the Company for those whose approval has been delegated in accordance with the applicable regulations.
- l) Supervise compliance with the Company's environmental, social and corporate governance policies and rules, as well as internal codes of conduct and, in particular:
  - (i) ensure that internal codes of conduct and corporate governance rules comply with regulatory requirements and are appropriate for the Company, ensuring that the corporate culture is aligned with its purpose and values, as well as reviewing compliance by the persons affected by such codes and governance rules and their reporting obligations to the Company.
  - (ii) supervise compliance with the Company's corporate governance rules and internal codes of conduct, also ensuring that the corporate culture is aligned with its purpose and values;
  - (iii) supervise the application of the general policy regarding the communication of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, proxy advisors and other stakeholders. The Committee shall also monitor the way in which the Company communicates and relates to small and medium-sized shareholders;
  - (iv) periodically evaluate and review the Company's corporate governance system and environmental and social policy, so that they fulfill their mission of promoting the social interest and take into account, as appropriate, the legitimate interests of other stakeholders;
  - (v) monitoring that the Company's environmental and social practices are in line with its strategy and policy; and
  - (vi) supervise and evaluate the relationship with the different stakeholders.
- m) To issue such reports and proposals as may be requested by the Board of Directors or by the Chairman of the Board of Directors and such other reports and proposals as it deems appropriate for the best performance of its duties and, in particular, (i) to issue a report on proposals to amend the Board of Directors Regulations, in accordance with the provisions of Article 4.3 thereof; (ii) to decide on requests for information that the Directors, in accordance with the provisions of Article 26.3 of the Board of Regulations, send to this Committee; and (iii) to request, where appropriate, the



inclusion of items on the Agenda of the Board meetings under the conditions and within the deadlines set forth in Article 34.3 of the Regulations of the Board of Directors.

## 6. MEETINGS

The CAC met a total of eight (8) times during fiscal year 2024, complying with the requirement established in Articles 40.5 of the Company's Bylaws and 37.6 of the Board of Directors Regulations that the CAC meet at least quarterly.

The following is the schedule of CAC meetings held during fiscal year 2024:

First quarter	Second quarter	Third quarter	Fourth quarter
January 23rd	April 29th	July 29	October 23rd
February 27th	June 16		December 10, 2009
March 9			

The meetings of the ACC have been convened with the advance notice established in the regulations. The prior and sufficient dedication of its members to analyze and evaluate the information, as well as the holding of specific meetings with the internal and external auditors, and with members of management, is noteworthy. Most of the members of the CAC regularly attend the meetings.

All CAC members have personally attended all meetings during 2024.

The Company provides the necessary resources to the members of the Committee for the responsible knowledge of the matters to be discussed at the meetings and their active participation therein, as well as for the due fulfillment of the Committee's own functions and competencies.

In particular, for the effective performance of the CAC's functions, members have the right and the duty to obtain information from the various executives of the Company and, in particular, from those responsible for internal governance areas. Thus, during fiscal year 2024, the CAC met, at the invitation of the Chairman, with the following executives and professionals in formal session:

- General Director of Administration, on six occasions.
- General Director of Administration and Finance, on seven occasions.
- Director of Information Systems and Technologies, on one occasion.



- General Director of Internal Audit, on six occasions.
- General Director of Legal Counsel, on two occasions.
- Director of Human Resources, on three occasions.
- Director of Public Prosecutions, on three occasions.
- Compliance Officer of the FCC Group, on two occasions.
- Corporate Director of Administration, Finance and Systems of CPV, on one .
- Representatives of the auditing firm, on four occasions.

The CAC duly complies, through its Secretary, with its obligation to prepare minutes of its meetings, which duly reflect the development of the meetings and the content of the deliberations and resolutions adopted. The resolutions of the CAC have always been adopted unanimously by the members attending the meeting.

## **7. SIGNIFICANT ACTIVITIES CARRIED OUT DURING THE YEAR**

The Commission has carried out the following actions in 2024:

### ***(i) In connection with the external audit.***

- It has served as a communication channel between the Board of Directors and the Company's external auditor, evaluating the results of each audit, ensuring the independence of the external auditor and establishing the corresponding measures for this purpose.
- Discussed with the Company's external auditor the significant weaknesses of the internal control system detected in the course of the audit, without infringing his independence.
- It has received information from the external auditor on those matters that could pose a threat to its independence, and when appropriate, has authorized services other than those that are prohibited, in the terms contemplated in the regulations governing the auditing of accounts on the independence regime.
- It has reported to the General Shareholders' Meeting on matters within the Committee's competence and, in particular, on the outcome of the audit, explaining how the audit has contributed to the integrity of the financial information and the role the Committee has played in this process, all through the publication of the annual activity report.



- It has issued, prior to the issuance of the audit report, a report on the opinion on the independence of the external auditor.

(ii) In relation to corporate governance.

- It has reported favorably on FCC's Annual Corporate Governance Report for fiscal year 2023.
- It has supervised compliance with the Company's policies and rules on environmental, social and corporate governance matters and, in particular, has reviewed the amendment of the Board of Directors Regulations, as well as the internal codes of conduct ("Compliance System").
- It has reported favorably to the Board on the approval of all the documentation for the review of the FCC Group's Compliance Model.
- It has reported favorably to the Board on the approval of the update of the Protocol for the prevention and eradication of harassment of the FCC Group.
- He has supervised the cybersecurity policy of the FCC Group.
- It has supervised the submission to the CNMV and the Stock Exchanges of the information required by current legislation.
- In compliance with the provisions of Article 34.9 of the Board Regulations, it has approved the self-evaluation report on the operation of the Company's ACC during fiscal year 2023, to be submitted to the Board of Directors.
- Approved the report on the activities of the CAC for fiscal year 2023.
- It has reported, globally, on the communications of the "Internal Communication Channel" and the actions carried out for this purpose. In this sense, FCC has an internal communication channel and procedure that allows employees and third parties, in a confidential manner, to consult doubts and report irregular conduct.
- It has reported favorably to the Board of Directors on the proposed update of the Code of Ethics and Conduct and the rest of the compliance model affected by the entry into force of *Law 2/2023, of February 20, regulating the protection of persons who report regulatory infringements and the fight against corruption*, and on the fifth anniversary of its important modification.

(iii) In relation to financial and non-financial information and associated internal control.

- It has supervised the process of preparation and presentation of the individual and consolidated financial statements and management report, as well as the financial information periodically disclosed to the markets.
- It has reported favorably on the annual, semiannual and quarterly financial information and on the process of preparing it.
- To report favorably to the Board on the preparation of the Annual Financial Statements and management report (individual and consolidated) of FCC for fiscal year 2023.
- In relation to the proposal to the Ordinary General Shareholders' Meeting for a flexible dividend (*scrip dividend*), the review by the members of the Committee, prior to its submission to the Board of Directors, of the compensatory mechanism for shareholders was particularly relevant in order to ensure that the options of (i) transferring the free-of-charge allocation rights to the Company under the Purchase Commitment and (ii) receiving such amount in new shares were economically equivalent, that is, without favoring or penalizing either of such options in economic terms.
- It has reported favorably to the State Council on FCC's Non-Financial Information (Sustainability Report) corresponding to fiscal year 2023.
- It has reported favorably on the adequacy of the information contained in the "Interim Statement", referring to the first and third quarter of 2024, in accordance with the provisions of article 20, section 1, of Royal Decree 1362/2007, of October 19, 2007, and the provisions that develop it, recommending its approval by the Board of Directors and its submission to the CMNV and the Stock Exchanges.
- It has reported favorably on the adequacy of the information contained in the financial statements for the first half of 2024 ("Summarized Annual Accounts" and "Interim Management Report") to the provisions Article 11 and following of Royal Decree 1362/2007, of October 19, 2007, and the provisions that develop it.
- It has reported favorably on the process of preparing the consolidated "Interim Management Report" of FCC, referred to in Article 11 of Royal Decree 1362/2007, and the "Consolidated Financial Statements as of September 30, 2024", recommending its approval by the Board of Directors and its submission to the CNMV and Stock Exchanges.

(iv) In relation to risk management and control.

- It has taken cognizance of the Fiscal Risk Reports, Legal Risk Reports and Labor Risk Reports.





- It has taken cognizance of the Manual on the Prevention of Money Laundering and Terrorist Financing.
- In compliance with the provisions of article 24.4 of the Board Regulations and in accordance with the provisions of article 529 duovicies.3 LSC, it has issued the reports corresponding to the execution of various Related-Party Transactions, assessing, in each case, whether the transaction is fair and reasonable from the point of view of the Company and, if applicable, from the point of view of the shareholders other than the related party. Likewise, it has supervised the internal procedure established by the Company for those related-party transactions whose approval has been delegated in accordance with the applicable regulations.

(v) *In relation to Internal Audit.*

- It has taken cognizance of the external audit summary report.
- Analyzed the annual Internal Audit Plan and its development.
- It has taken cognizance of the Annual Report of the Directorate General of Internal Auditing.
- Internal Audit has received specific reports from Internal Audit on specific relevant issues.
- He has supervised the Company's Internal Audit unit, as well as the Company's risk control and management policy, reviewing the identification of the most relevant risks and the adoption of the necessary measures to mitigate their impact.

## **8. OPINION OF THE COMMISSION ON THE INDEPENDENCE OF THE STATUTORY AUDITOR**

In relation to the independence of the external auditor, the Committee has received from ERNST & YOUNG the written confirmation of its independence from the Audit and Control Committee, as well as the information referring to the non-audit services that the external auditor has provided to the Company and its Group during the fiscal year 2024. This statement expressly indicates that the auditor has not been found during fiscal year 2024 in any of the causes of incompatibility established for this purpose in the Law. In view of the information available, the Committee has not identified any factors that may jeopardize the independence of the external auditor ERNST & YOUNG.

## **9. EVALUATION AND CONCLUSIONS**



Based on the foregoing, the CAC concludes that it duly complies with its formal obligations and is organized and functions effectively for the proper performance of its functions and the ultimate achievement of its purposes. In this sense, the CAC considers that:

- It is composed of three Board Members, all of them non-executive, two of having the category of Independent, including its Chairman, so that the composition requirements set forth in Article 529 quaterdecies of the LSC and in the Board of Directors Regulations are met.
- Two of the three members of the Audit and Control Committee, including its Chairman, have been appointed taking into account their knowledge and experience in accounting matters and, as a whole, the members of the Committee have the capacity and experience, as well as the relevant technical knowledge in the sector of activity to which the FCC Group belongs, necessary for the Committee to perform its functions.
- It has met as often as necessary and at least quarterly, in compliance with Article 37.6 of the Regulations of the Board of Directors, and whenever it has been necessary in view of its competencies, having met a total of eight times.
- Prior to the meetings, the members of the Committee were provided with the necessary information regarding the different items on the agenda, with the attendance at the meetings of those responsible for the exercise of their functions.
- With respect to its functions, the Committee has deliberated and adopted resolutions on the main matters within its competence in relation to the external audit, the Company's corporate governance system, financial and non-financial information and the associated internal control mechanisms.

In conclusion, the Audit and Control Committee of FCC has a very positive assessment of the activity carried out during fiscal year 2024.

#### **10. DATE OF FORMULATION OF THE REPORT BY THE AUDIT AND CONTROL COMMITTEE AND DATE OF APPROVAL BY THE BOARD OF DIRECTORS**

This *Report on the activities of the Audit and Control Committee* was prepared by Committee on April 29, 2025, having been submitted to the Company's Board of Directors and approved by the latter at its meeting held on the same date.

