



# Auditing and Compliance Committee Performance Report 2023

January 2024

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# 1 Introduction

In accordance with the provisions of Article 16.8 of the Board of Directors Regulations (the “**Board Regulations**”) and Technical Guideline 3/2017 on Auditing Committees at public interest companies published by the National Securities Market Commission (“**CNMV**”), this document includes a Report on the annual performance of the Auditing and Compliance Committee (“**ACC**” or “the Committee”) during the 2022 financial year (the “**Report**”), offering an account of the activities engaged in by the Committee over said period.

This Report was approved by the ACC at a meeting held on 23 January 2024.

## 2 Composition, appointment and profile of the Committee’s members

In accordance with the Board of Directors Regulations and the Company Bylaws, the ACC exclusively comprises non-executive directors, the majority of whom are independent.

Its qualitative composition complies with the contents of Recommendation 39 of the Code of Good Governance for Listed Companies (“**CGGLC**”), its members (and particularly its Chair) being chosen on the basis of their experience and know-how in the areas of accounting, auditing and the management of risk, both financial and non-financial.

The Chair of the ACC shall be appointed from among the independent directors who sit on the Committee, and he or she must be replaced every four years, though they may be re-elected when a year has elapsed following the end of their previous term. The Secretary or Deputy Secretary to the Board of Directors acts as the Committee’s Secretary, as provided for in Article 16.4 of the Board of Directors Regulations.

When appointing the members of the Committee, the Board of Directors will promote gender diversity, in addition to diversity in respect of qualities such as professional experience, skills, personal abilities and knowledge of the sector.

As a result of the foregoing resolutions, the ACC comprised, as of 31 December 2023, the following members:

Name	Position	Type of board member	Date of first appointment
Virginia Arce	Chairwoman	Independent	28 October 2022 <sup>(i)</sup>
Belén Amatriain	Member	Independent	28 October 2022
Coloma Armero	Member	Independent	28 October 2022
Juan Moscoso del Prado	Member	Proprietary <sup>(ii)</sup>	28 October 2022

Miguel Sebastián

Member

Proprietary <sup>(iii)</sup>

31 January 2019

(i) Appointed Chairwoman of the Committee on the same day.

(ii) Appointment proposed by SEPI

(iii) Appointment proposed by SEPI

Information on the know-how and experience of the Committee members in their respective areas of expertise is included in their professional profiles, which can be found on the Company website ([www.indracompany.com](http://www.indracompany.com)).

### 3 Duties of the Committee and its regulation

In accordance with the contents of Article 31 of the Company Bylaws, the Board of Directors Regulations establish the rules relating to the ACC's powers and duties.

In addition to the duties established in law, Article 18 of the Board of Directors Regulations establishes that the ACC is responsible for the following:

1. Regarding the internal control and monitoring systems:

a) Monitoring and evaluating the preparation and reporting of the Company's financial and non-financial information and its systems for the monitoring and management of financial and non-financial risk of the Company and its Group (including operational, technological, legal, social, environmental, political and reputational risk and risk relating to corruption), checking compliance with the requirements set out in law, the accurate demarcation of the scope of consolidation, and the correct application of accounting principles, and submitting the relevant report to the Board where applicable.

b) Overseeing the composition, powers and performance of the internal auditing, risk monitoring and management and compliance departments, and to that end: i) ensuring their independence; ii) proposing or approve, in case of the compliance department, the election, appointment, payment and dismissal of the people respectively in charge of those areas; iii) approving their budgets and the direction of the annual working plan and overseeing their implementation; iv) receiving regular information on their activities and, in particular, any potential incidents or restrictions on the scope set out in the development of the annual working plan; and v) checking that senior management takes account of the conclusions and recommendations contained in their reports.

With regard to the internal auditing area, the Committee will ensure that its activity is mainly focused on relevant risks, including reputational risk.

c) establish and supervise the operation of a means by which employees and other Company stakeholders, such as Directors, shareholders, suppliers, contractors and subcontractors may communicate confidentially and, when appropriate, anonymously, potentially significant irregularities, including financial and accounting irregularities, related to the Company or its group, and that respects the rights of the complainant and the accused.

d) Ensure that established internal control policies and systems are implemented effectively.

2. With regard to the external auditor:

a) Submit to the Board of Directors proposals for the selection, appointment, re-election and removal of the External Auditors, trying to that the same audit firm will be for all companies in the Group, taking responsibility for the selection process, in accordance with the relevant legislation, as well as for the terms and scope of its engagement.

b) Ensure that the accounts that the Board of Directors submits to the General Shareholders' Meeting are drawn up in accordance with accounting regulations and the audit report does not contain Reservations or qualifications.

c) In the event of resignation, examine the circumstances that motivated it.

d) Ensure that the remuneration of the external auditor for its work and any other payments arising from other business relationships with the Company do not compromise its quality or the auditor's independence.

e) Ensure that the Company properly communicates any change of auditor through legally established channels and accompanies such communication with a statement regarding the possible existence of material disagreements with the outgoing auditor and their content.

f) Ensure that the external auditor holds an annual meeting with the full Board of Directors to report on the work performed and changes in the accounting and risk environments of the Company

g) Ensure that the Company and the external auditor comply with applicable rules on the provision of services other than auditing services, limits on concentration of the auditor's business and, in general, rules on the independence of auditors, as well as authorising the procurement of those services.

3. Other functions:

a) Report to the Board on economic conditions and their accounting impact and, in particular and where appropriate, on the proposed exchange ratio for corporate restructuring activities that the Company intends to perform.

b) Take decisions regarding internal compliance and competence programmes and procedures approved and assigned to it by the Board, as well as to monitor compliance with the Company's internal policies and codes of conduct, ensuring that corporate culture is aligned with their purpose and values and propose amendments.

c) Overseeing compliance with the internal codes of conduct, including (as applicable) the Internal Code of Conduct on Matters Relating to the Stock Markets and application of the policy for communicating with shareholders, institutional investors and proxy advisors, along with the procedures for maintaining relations with other stakeholders. Overseeing any financial, non-financial and corporate reporting policy that may form part of these relations and proposing amendments.

d) Report on any related-party transactions which must be approved at a General Shareholders' Meeting or by the Board of Directors and supervise the internal procedure established by the Company for transactions whose approval has been delegated.

## 4 Activities during the 2023 financial year

During the 2023 financial year, the ACC held ten ordinary and two extraordinary meetings. The average attendance for members who were either physically present at these meetings or attending via videoconference was 100%.

Committee meetings were convened sufficiently in advance to allow members to analyse the documentation and information relating to the items to be discussed, made available to them at the same time as notice of each meeting was announced.

In addition, the Chair of the ACC informed the Board of the matters discussed and the decisions adopted by the Committee at each of its meetings.

Upon invitation by the Committee's Chair, the Committee meetings were attended by executive directors, the heads of Internal Auditing and the Compliance Unit (or their appointed representatives), managers, and external advisors, in order to discuss items on the agenda that fell within their purview, without compromising the independence of the Committee's actions in any way.

At the beginning of each financial year, the ACC prepares and approves an Action Plan to ensure the proper planning and organisation of its duties.

The main issues discussed and examined by the Committee during the 2023 financial year, covering the primary areas which it is responsible for overseeing, can be divided into the following categories:

### REVIEW OF THE FINANCIAL AND NON-FINANCIAL INFORMATION TO BE INCLUDED IN THE FINANCIAL STATEMENTS

- Analysing/reviewing the regular financial reports
- Overseeing the preparation process and reporting criteria for the financial and non-financial information
- Reviewing specific issues relating to the financial information that may have an impact on the Company's results (guidance review, reports on proposals for shareholder payments, etc.)
- Monitoring the external review of non-financial information
- Identifying CGUs
- Process for the preparation of the Annual Accounts and the Non-Financial Information Statement (NFIS?)

### EXTERNAL AUDITING

- Proposal for the re-election of the auditors for 2025 and the appointment of auditors for 2026
- Monitoring the process for the auditing of the annual accounts, intermediate financial statements and the ICFR / NFIMS?
- Monitoring implementation of the external auditor's recommendations
- Assessing the external auditor and reporting annually on its independence
- Authorising services other than auditing and reporting on business relationships
- Approving the external auditors' fees

## INTERNAL AUDITING AND GLOBAL RISK

### Internal Auditing

- Overseeing the effectiveness of financial and non-financial risk procedures and the Company's control and governance procedures
- Examination of audits focused on the analysis of process risk, operational risk and systems risk
- Tracking / Monitoring recommendations
- Reviewing and updating the ICFR (including the Management Report (MR)) and ICNFR models
- Overseeing section F of the Annual Corporate Governance Report ("ACGR")
- Promoting external reviews (Quality Assurance)
- Overseeing and approving the 2024 operational plan
- Approving the 2024 operational budget

### Global risk

- Overseeing and updating the Risk Map and the proposals for updating Risk Management and Control Policies, including Tax Policy, the Code of Good Tax Practices and the Tax Compliance System.
- Promoting external reviews of the risk management model: ISO 31000
- Overseeing follow-up reports on risk mitigation plans
- Encouraging appearances by the different risk owners
- Overseeing section E of the ACGR
- Overseeing and approving the 2024 operational plan
- Approving the 2024 operational budget

## OTHER

- Appointing a new head of the Compliance Unit
- Reporting to the Board of Directors for the approval of related-party transactions
- Overseeing compliance with the Internal Code of Conduct on Matters Relating to the Stock Markets and application of the policy for communicating with shareholders, institutional investors and proxy advisors.
- Appraisal of the Committee's operation and performance
- Cybersecurity training

## COMPLIANCE UNIT

- Reviewing and updating the Compliance Model (Code of Ethics and Criminal Compliance, and Manuals (Handbooks?) on the Prevention of Criminal Risks and Competition in Spain and at international subsidiaries)
- Bringing the Compliance Model into line with Spanish Act 2 of 20 February 2023, governing the protection of people who report regulatory infringements, and combatting corruption
- Promoting the regular internal and external verification of the Criminal Risk Prevention and Competition Models with regard to the effectiveness of the control procedures and their alignment with the national and standing international legal standards
- Implementing observations in accordance with certification in matters of Compliance (UNE 19601, ISO 37001)
- Updating the methodology for evaluating criminal, competition-related and reputational risk
- Updating the Criminal Risk and Competition Map, both globally and for Spain, and establishing risk thresholds
- Updating and following up on monitoring processes
- Monitoring internal training in Ethics, Compliance and Competition
- Implementing the Criminal Risk Prevention and the Competition Risk Models at recently acquired subsidiaries
- Following up and processing complaints received via the Direct Channel. Analysing any important procedures currently being processed
- Overseeing and approving the 2024 operational plan
- Approving the 2024 operational budget

## 4.1 Review of financial and non-financial information

### 4.1.1 Review of the Company's annual accounts

Working from the external auditor's report, at its March 2023 meeting, the Committee reviewed the Management Report and the Individual and Consolidated Annual Accounts for the 2022 financial year prior to their formal preparation by the Board of Directors, giving a favourable opinion.

### 4.1.2 Review of the regular information to be submitted to the markets and their supervisory bodies

Prior to its approval by the Board of Directors, the ACC reviewed the quarterly financial information for the 2023 financial year and the half-yearly information for the second semester of the 2022 financial year and the first semester of the 2023 financial year, to be submitted to the **CNMV**, checking that it had been prepared applying the same criteria applied for the annual financial statements.

This review extended to all the information contained in the CNMV's official forms and to the presentations submitted to the CNMV by the Company when publishing its quarterly results, and the Committee checked that the data included in those documents were consistent, making an analysis of the suitability of the criteria applied and the accuracy of the figures.

With regards to the consolidated condensed interim financial statements, the Committee carried out a review with the external auditor of the items considered by the latter in order to issue its limited review report.

Complying with the duties which it is charged with, the ACC monitored and evaluated the process for the preparation of the financial information relating to the Company and the consolidated group, as well as the integrity of that information, it analysed compliance with the requirements set out in law, the accurate demarcation of the consolidation scope / the establishment of boundaries for the scope of consolidation, and the correct application of accounting principles, providing recommendations on the display, accounting or presentation of certain items / the way in which some items were shown / displayed / reflected, accounted for or presented. To this end, the Committee invited Indra's Chief Financial Officer (CFO) to attend all its meetings where matters pertaining to the regular reporting of financial information were discussed, and the Board formally approved in due time and form.

### 4.1.3 Non-financial information

As it did for the previous financial year, the Committee chose to maintain the Sustainability Report as a Non-Financial Information Statement; the contents and preparation of which were overseen by the Committee in order to ensure it met all requirements set out in law. The Committee was provided with the preliminary favourable report from the Sustainability Committee with regard to the contents and reporting criteria for the aforementioned Report.

The Committee also oversaw the non-financial risk management system, with the Sustainability Director appearing before the Committee.



The Sustainability Report was audited by an independent third party (Deloitte), which appeared before the Committee to report on the scope of its audit and the conclusions reached. The Committee confirmed that the audit report would be issued without any provisos.

## 4.2 External Auditing

### 4.2.1 Monitoring the process for carrying out the audit of the annual accounts

In accordance with its duty to compile regular information on the manner in which the annual accounts auditing process is carried out, in 2023 the Committee oversaw the entire process, from its planning, implementation and execution through to its conclusion. The ACC has evaluated the implementation and results of the audit and the work carried out, making an in-depth analysis of the reports prepared by the external auditors in relation to the following:

- Final conclusions regarding the auditing of the annual accounts for the 2022 financial year and the preliminary report.
- The final audit report on the individual and consolidated annual accounts for the 2022 financial year, with the issue of the auditor's opinion without provisos or reservations.
- The report on recommendations for improvement within the organisation, reporting and internal control procedures and systems resulting from the auditing of the annual accounts for the 2022 financial year.
- The limited review report corresponding to the first six months of the 2023 financial year.
- The planning and preliminary work carried out for the auditing of the annual accounts for the 2023 financial year.

To ensure the proper appraisal of all these items, the members of the Deloitte team responsible for auditing the accounts appeared before the Committee on eight occasions throughout the financial year, and they clearly had sufficient and suitable access to the Company's key personnel, along with all the information they required to make their appraisal.

Indra's Auditing and Compliance Committee oversaw the process for the auditing of the accounts of Morpheus Aiolos, S.L.U., a Public Interest Entity registered with the Bank of Spain that has been acquired by Indra Soluciones TI, approving the fee proposal, and submitting the proposal for Eudita's re-election as accounts auditor for the period from 2023 to 2025 to the administrative body of Morpheus Aiolos, S.L.U.

The Auditing and Compliance Committee

### 4.2.2 Verifying the independence of the accounts auditor

In compliance with its duty to examine any issues that could threaten the independence of the external auditor, and in accordance with the internal procedure currently in force, the Committee reviews and authorises any fees for services other than the auditing of the annual accounts in advance of contracting. It also regularly monitors the accumulated amounts of these fees for the

purposes of ensuring that they comply with the limits set out in law and do not compromise the auditor's independence.

The fees paid to the external auditor (Deloitte, S.L.) during the 2023 financial year amounted to the totals shown in the following table:

	Thousands of euros
Auditing the accounts and making a limited half-yearly review	2,562
Other verification services	175
Tax advisory services	4
Other services	-
<b>Total</b>	<b>2,741</b>

In addition, any business matters in which the auditor and the audited company work together are reported to the Committee, notwithstanding the fact that the current regulations do not establish any limits or requirements in this regard.

With regards the auditing of the annual accounts for the 2022 financial year, and in compliance with the requirements of the standing legislation, prior to the issue of the auditor's report for the financial year the Committee issued its own annual report on the auditor's independence, giving a favourable opinion regarding that independence and making a specific statement on the types of services other than auditing that it provided over the course of the year, which had not in any way compromised its independence. This report was made available to the shareholders when the General Shareholders' Meeting was convened, pursuant to the contents of Recommendation 6 of the CGGLC.

Deloitte also issued explicit confirmation of the preservation of its independence in a letter dated 29 March 2023.

Since March 2020, verification of the external auditor's independence has extended to any subsidiaries audited by a firm other than Indra's own auditor.

Following the entry into force of Royal Decree 2 of 12 January 2020, which implemented the Spanish Accounts Auditing Act, changes were made to the procedure for controlling the independence of the external auditor, under which the Committee must review and approve the technical analysis of threats and safeguards that the external auditors make regarding its independence.

#### 4.2.3 Evaluation of adherence to the recommendations resulting from the accounts audit

In accordance with its duty to evaluate the management team's response to recommendations made by the auditor, the Committee reviewed the implementation of the recommendations made following the auditing of the annual accounts for the 2022 financial year.

#### 4.2.4 Evaluation of the external auditor

The ACC reviewed the actions of the external auditor and how these contributed to the quality of the auditing process and the integrity of the financial information.

### 4.3 Internal auditing, internal control and risk management

#### 4.3.1 Internal Auditing

The Committee is responsible for overseeing the composition, powers and performance of the Company's Internal Auditing department ("IA"), and to that end: i) ensuring its independence; ii) proposing the election, appointment, compensation and dismissal of the department's head; iii) receiving regular information on its activities; iv) approving its annual budget and working plan and overseeing their implementation; and v) verifying that senior management takes into account the conclusions and recommendations contained in its reports.

Since the 2014 financial year, the IA Department has been structurally dependent on the ACC.

The main purpose of IA's operations is to provide services that assure independence, adhering to best practices and assisting oversight of operations involved in the internal control system and risk management and governance processes.

The Director of IA attended and actively participated in all the Committee's meetings during the 2023 financial year, reporting on the progress made in the execution of the plan approved in 2022 for that same year, and on the work being carried out in the various areas for which she was responsible.

At its meeting of 19 December 2023, the Committee approved the IA Working Plan for the 2024 financial year.

The Committee was informed of the results of the audits carried out during the financial year, which mainly covered the risks relating to accounting and the presentation of financial and non-financial information, the completion of projects, related-party transactions, information security and privacy, criminal liability, clientele, Industrial Security (classified information), the management of business continuity, quality, and production processes.

It was also informed about the monitoring of recommendations made to heads of department with regard to IA, and their implementation of those recommendations.

In January 2023, the Committee reviewed and approved the Report on the activities engaged in by IA during the 2022 financial year.

#### 4.3.2 Internal control

Indra has an Internal Control Over Financial Reporting ("ICFR") Model based on COSO (*Committee of Sponsoring Organisations of the Treadway Commission*) methodology. The aim of

this model is to ensure: i) the effectiveness and efficiency of operations; ii) the adequacy and reliability of financial information; and iii) compliance with applicable legislation and regulations.

Implementation of this model seeks to provide a reasonable degree of certainty in the achievement of these aims.

IA carries out an annual audit of the ICFR. Any control weaknesses detected in the ICFR are included in a specific plan of action for each weakness identified. IA monitors and controls these weaknesses and reports to the Committee until they have been conclusively resolved.

The Committee reviews and approves the scope of the ICFR, the quantitative and qualitative factors considered in its preparation, and it is informed about the different applications that are relevant to this end. Approval of these points in relation to the 2023 ICFR was formally given at the Committee meeting held in September 2023.

The Committee was informed about the results obtained in the efficacy analysis of the 2022 ICFR and the improvements made in March 2023, and it was concluded that no significant deficiency or material weakness had been detected in the operation of the controls associated with this model. As a result of this whole process, and with a view to strengthening the transparency and quality of the public information given by the Company to the markets regarding its ICFR, the Company Management submits an annual description of its ICFR (section F of the Annual Corporate Governance Report, “**ACGR**”), using the sixteen basic indicators recommended by the CNMV.

The Committee reviewed the aforementioned section and its consistency with all other information included in the Annual Accounts and the Sustainability Report. Following its review, the Committee submitted a report to the Board on the section, for the Board’s approval. In addition, since the 2011 financial year, Indra has been voluntarily submitting its ICFR for evaluation by the Company’s auditor. The auditor issues an annual ISAE 3000 report in which it provides an opinion, with a reasonable degree of certainty and under the generally recognised auditing standards, on whether the design and functioning of the Indra Group’s ICFR are effective or not at the close of the financial year.

IA also performs duties to ensure the proper functioning of the internal control system in general.

The Committee regularly reviews the procedures implemented in order to assess the efficacy of internal control, specifically:

- Analysing the effectiveness of the internal controls of the processes implemented by the Company and its subsidiaries.
- Checking whether there are any potential weaknesses in the internal control procedures and the Company’s ability to respond to them.
- Overseeing and coordinating any significant changes made to the internal control procedures associated with the financial and non-financial information.
- Reviewing and confirming that the appropriate criteria are applied when developing the processes for the closing of the financial statements.

- Carrying out regular follow-ups on the action taken to correct the weaknesses identified during audits.

With regard to non-financial reporting, Indra has a model for internal control over its Non-Financial Reporting (“**ICNFR**”) which adheres to best practices. The aim of this model is to establish mechanisms to ensure the reliability of its reporting, including a definition of the controls required to comply with the main indicators in the sustainability report and ensure compliance with EU taxonomy. As of the date of this report, the model is still a work-in-progress and under development. The Committee was informed about the results obtained in the efficacy analysis of the 2022 ICNFR and the improvements made in March 2023, and it was concluded that no significant deficiency or material weakness had been detected in the operation of the controls associated with this model.

The IA Department has obtained the Quality Assessment certification for its activities, which confirms that Indra complies with the International Professional Practices Framework for Internal Auditing issued by the *Institute of Internal Auditors – USA* (IIA Global).

#### 4.3.3 Risk management

The Committee is responsible for ensuring the establishment of adequate mechanisms for the monitoring of financial and non-financial risk, including operational, technological, legal, social, environmental, political and reputational risk.

The Committee is aware of the importance of managing this risk, to ensure adequate strategic planning and achieve its established business objectives, particularly in an environment of increasing globalisation and volatility.

The Committee is responsible for overseeing the composition, powers and performance of the Company’s Global Risk department, and to that end: i) ensuring its independence; ii) proposing the election, appointment, compensation and dismissal of the department’s head; iii) receiving regular information on its activities; iv) approving its annual budget and working plan and overseeing their implementation; and v) verifying that senior management takes into account the conclusions and recommendations contained in its reports.

Since the 2014 financial year, the Global Risk Department has been structurally dependent on the ACC.

The main purpose of the Global Risk department is to create an appropriate framework for the Company to anticipate, prioritise, manage and monitor the portfolio of risks that it may be affected by. To this end, the Risk Monitoring System is under permanent review, as is the formalisation and systematisation of the criteria for its management.

Work carried out by the Global Risk department is regularly reported for oversight to the Risk Coordination Unit (“**RCU**”) and the Committee.

The Committee regularly follows up the established action plans, according to the risk factors defined, and regularly reviews the follow-up reports on risk-mitigation plans.

In order to ascertain and verify the adequacy and integrity of the financial reporting service and the proper functioning of the Company's internal control and risk management systems, the Committee arranges meetings with the management and department heads of the various divisions and control units that are relevant from a risk management perspective, in order to receive reports on the operation of the risk management systems that have been established and the conclusions which have been reached. The most important areas and issues reviewed over the course of the financial year were as follows: i) litigation indicators; ii) project execution (Minsait and T&D); iii) foreign trade (T&D); iv) productive efficiency (Minsait and T&D); v) systems, information security and privacy; vi) quality; vii) ESG risks; and viii) technological competition.

The Committee also reviewed the update of the Company's Risk Map and its risk control and management policy, examining initiatives for the internal dissemination of the Risk Management and Control Policy among the directors and management of Indra subsidiaries, overseeing an analysis of low-probability and high-impact events and quantifying the risk involved. In March 2023, the Committee submitted a report relating to the update of the Risk Map to the Board of Directors for its approval, reporting the associated plans for mitigation.

As far as the management of tax risk was concerned, the Committee was informed about the main risks included in the tax risk map, the most important issues regarding tax compliance, how the Code of Good Tax Practices is being upheld, the update to tax policy, transfer pricing, and about the main inspections and litigation cases relating to tax matters. The Committee was also informed about how the Code of Good Tax Practices is being upheld in June 2023.

The Committee was informed about the risk indicators relating to litigation cases in order to facilitate its monitoring of these cases, along with the key financial risks relating to exchange rates, capital structure and financing and credit sources.

The Committee reviewed section E (risk information) of its Annual Corporate Governance Report ("ACGR") and its consistency with all other information included in the Annual Accounts and the Sustainability Report. Following its review, the Committee submitted a report to the Board on the aforementioned section, for the Board's approval.

During the 2023 financial year, the Company renewed its certification that confirmed compliance with UNE-ISO standard 31000:2018 and acknowledged that its risk management system had been efficiently implemented.

## 4.4 Compliance Unit

The Compliance Unit ("CU") is the department responsible for coordinating and implementing all decisions and duties relating to compliance with regulations set out in the Criminal Risk Prevention Model (the "CRP Model") and the Prevention of Competition Law Risk Model (the "PCLR Model").

The Committee is responsible for overseeing the composition, powers and performance of the Company's CU and, to that end: i) ensuring its independence; ii) approving the election, appointment, compensation and dismissal of the unit's head; iii) receiving regular information on

the work conducted; iv) approving its annual budget and working plan and overseeing their implementation; and v) verifying that senior management takes account of the conclusions and recommendations contained in its reports.

Since April 2015, the CU has been structurally dependent on the Committee and, among others, has performed the following duties:

- Promoting a culture of prevention, and ensuring that the principles contained in the models are widely known.
- Analysing any legislative changes or new developments that might affect the models.
- Compiling information on the evolution of criminal risk, as well as risk in the area of Competition Law and the preventive measures adopted by the Company.
- Proposing whatever model checks and updates it may deem appropriate.
- Managing communications received via the Direct Channel.
- Proposing a working plan for oversight of the models.

The head of the CU, or her appointed representatives, attended ordinary meetings of the ACC held during 2023 and reported on the progress being made with the working plan, the latest developments in active processes, the training plan and operation of the Direct Channel.

The Committee oversaw the various actions taken by the CU in respect of criminal risk prevention and competition, with the aim of ensuring the maturity of Indra's CRP and PCLR Models and compliance with the Company's Code of Ethics and Legal Compliance. Particular emphasis was placed on the following:

i) actions relating to communications (both internal and external);

ii) the plan to provide training on Ethics and Competition, both in Spain and at the Company's international subsidiaries;

iii) updating and reviewing the controls relating to criminal risk and competition (internal audits);

iv) maintaining and renewing UNE19601 and ISO 37001 certification, at a domestic and international level respectively;

v) the new methodology for identifying and evaluating criminal and competition-related risk, including proposals to the ACC for approval of both global and Spanish risk maps and the establishment of the acceptable criminal risk threshold. With regard to the Company's international subsidiaries, the Committee was informed about their criminal risk maps, administrative risk maps, which are regarded as similar to criminal and competition risk maps approved by the administrative bodies of these subsidiaries;

vi) the completion of Due Diligence on third parties (suppliers, partners and potential customers);

viii) the information provided annually by the CU to: a) the CEO and the Executive Director in order to analyse the suitability of the CRP and PCLR Models and the degree to which they have been implemented, and b) the heads of the organisational divisions with regard to the evolution of both models;

ix) the implementation of both models in businesses acquired by the Company;

x) managing and dealing with communications received via the Direct Channel;

xi) bringing the Compliance Model into line with Spanish Act 2 of 20 February 2023, governing the protection of people who report regulatory infringements, and combatting corruption

The Committee also reported favourably to the Board of Directors on approval of the update to the various documents that together form the Compliance Model (the Code of Ethics and Legal Compliance, the Manual on the Prevention of Criminal Law Risk in Spain and the Manual on the Prevention of Competition Law Risk) and, in particular, implementation of the Internal Reporting System in line with the requirements of Spanish Act 2 of 20 February 2023. It also reported favourably on the update to the Manuals for the Prevention of Criminal and Competition Risk at the international subsidiaries, which were approved by their respective administrative bodies.

In November 2023, the Committee agreed to appoint María Jaureguizar as Chief Compliance Officer and the Board of Directors agreed to appoint her as Head of the Internal Complaints Reporting System.

During the course of 2023, the Committee reviewed and approved the Report on the activities engaged in by the CU during the 2022 financial year and its budget and action plan for the 2024 financial year.

## 4.5 Other actions

### ▪ Appraisal of the ACC's operation and performance

In January 2023, the Board carried out an appraisal of the Committee's operation and performance during the 2022 financial year, as part of its annual appraisal.

In accordance with Article 13.9 of the Board of Directors Regulations, and following a proposal from the Appointments, Remuneration and Corporate Governance Committee, the Board implemented the aforementioned appraisal with support from an external consultant.

This appraisal process ended with a highly satisfactory assessment of the Committee's operation and the work done by its Chair during the examined financial year.

### ▪ Monitoring of legal matters relating to the Company

The Committee was informed at each meeting about the status of the main litigation actions and proceedings in course.



- Related-party transactions
  - Pursuant to the contents of Article 529 *duovicies* of the Spanish Companies Act, the Committee submitted reports on related-party transactions to the Board of Directors for its approval.
  - The Committee reviewed the information on related-party transactions with significant shareholders and directors that is to be included both in the half-yearly economic and financial information to be submitted to the CNMV, and in the Annual Accounts and the ACGR.
  - The Committee approved the Annual Report on related-party transactions, which was published by the Company when announcing the call of the General Shareholders' Meeting.
- Appraisal of compliance with the Regulations governing the Internal Code of Conduct in matters pertaining to the Stock Markets, through the appearance before the Committee of the person responsible for monitoring the Company's Internal Code of Conduct.
- Tendering Committee Regulations

In October 2023, the ACC reported favourably to the Board on approval of the amendments to the Bid Tendering Committee Regulations.

## 5 CNMV Technical Guideline 3/2017 on Auditing Committees

The Committee fundamentally adheres to the relevant provisions of Technical Guideline 3/2017 on Auditing Committees at public interest companies, as approved by the CNMV, and this was taken into account when preparing this report, with a positive evaluation of the degree to which the recommendations contained in the Guideline have been complied with.

## 6 Conclusions

The Committee has confirmed that all matters set out in its Action Plan for the 2023 financial year have been adequately dealt with.

It also considers that its performance has complied with all the applicable regulations and with the standing recommendations.

In the 2024 financial year, the Committee plans to continue reviewing and monitoring the situation relating to all the matters that fall within its purview, pursuant to its meetings schedule and Annual Working Plan for 2024.

In view of all the foregoing, the Committee has unanimously agreed to approve this Report and to submit it to the Board of Directors so that it may be considered during the process for the appraisal of the Board and its Committees for 2023.

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