



ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

(Free translation from the original in Spanish, in event of discrepancy, the Spanish-language version prevails)

ISSUER IDENTIFICATION DETAILS

Financial year end: [31/12/2023]

COMPANY TAX ID: [A-31065501]

Registered Name:

[**VISCOFAN, S.A.**]

Registered address:

[CALLE BERROA N.15, 4 PLANTA, POLÍGONO INDUSTRIAL BERROA, 31192 (TAJONAR) NAVARRA]

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

A. OWNERSHIP STRUCTURE OF THE COMPANY

- A.1. Complete the following table on share capital and attributed voting rights. Include, where appropriate, loyalty shares, as at the close of the financial year:

Indicate whether the company by-laws provide for double votes originating from loyalty shares:

Yes
 No

Date of last change	Share capital (euros)	Number of indirect	Number of total voting rights
25/01/2019	32.550.000,00	46.500.000	46.500.000

Indicate if there are different classes of shares with different rights associated with them:

Yes
 No

- A.2. Detail the direct and indirect owners of significant holdings at year-end, including directors that have a significant shareholding:

Name or corporate name of the shareholder	% voting rights attributed to the shares		% voting rights via financial instruments		% total voting rights
	Direct	Indirect	Direct	Indirect	
CORPORACIÓN FINANCIERA ALBA S.A.	14,25	0,00	0,00	0,00	14,25
APG ASSET MANAGEMENT N.V.	9,99	0,00	0,00	0,00	9,99
MR SANTIAGO DOMEQ BOHÓRQUEZ	0,00	5,02	0,00	0,00	5,02
SETANTA ASSET MANAGEMENT LIMITED	0,00	3,96	0,00	0,00	3,96

**ANNUAL CORPORATE GOVERNANCE
REPORT OF LISTED CORPORATIONS**

Name of director (person or company)	% voting rights attributed to shares (including loyalty votes)		% of voting rights from financial instruments		% total voting rights	Of the total % of voting rights attached to the shares, indicate, if applicable, the % of additional votes attached to loyalty voting shares	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
MS AGATHA ECHEVARRÍA CANALES	0,09	0,00	0,00	0,00	0,09	0,00	0,00
MS MARIA CRISTINA HENRÍQUEZ DE LUNA BASAGOITI	0,00	0,00	0,00	0,00	0,00	0,00	0,00
MR ANDRÉS ARIZKORRETA GARCÍA	0,01	0,00	0,00	0,00	0,01	0,00	0,00
MR JAVIER FERNÁNDEZ ALONSO	0,00	0,00	0,00	0,00	0,00	0,00	0,00
VERÓNICA PASCUAL BOÉ	0,00	0,00	0,00	0,00	0,00	0,00	0,00

Total % of voting rights of the held by members of the board of directors:	0,36
--	------

Javier Fernández Alonso is a proprietary director representing Corporación Financiera Alba S.A.
Santiago Domecq Bohórquez is a nominee director representing Angustias y Sol S.L.

Details of the indirect investment:

Name of director (person or company)	Name or company name of the direct shareholder	% voting rights attributed to shares (including loyalty votes)	% of voting rights from financial instruments	% total voting rights	Of the total % of voting rights attached to the shares, indicate, if applicable, the % of additional votes attached to loyalty voting shares
MR JOSÉ ANTONIO CANALES GARCÍA	OTHER COMPANY SHAREHOLDERS	0,02	0,00	0,02	0,00

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

Indicate the total percentage of voting rights represented on the board of directors:

Total percentage of voting rights represented on the board of directors:	19,62
--	-------

A.4. Describe, if applicable, the family, commercial, contractual or corporate relationships between significant shareholders, to the extent known to the Company, unless they are immaterial or result from the ordinary course of business, except those shown in the section A.6:

Related name (person or company)	Type of relationship	Short description
N/D		

A.5. Where applicable, indicate any commercial, contractual or corporate relationships between holders of significant shareholdings, and the company and/or its group, unless they are of little relevance or due to ordinary trading or exchange activities:

Related name (person or company)	Type of relationship	Short description
N/D		

A.6. Describe the relationships, unless they are scarcely relevant to the two parties, between the significant shareholders or those represented on the board, and the directors, or their representatives, in the case of legal entity administrators.

Explain, if applicable, how significant shareholders are represented. Specifically, indicate the directors who have been appointed on behalf of significant shareholders, those whose appointment would have been encouraged by significant shareholders, or those who are linked to significant shareholders and/or entities of their group, with a specification of the nature of such associating relationships. Especially and where applicable, details will be given of the identity and position of members of the board or representatives of directors of the listed company who are also members of the administrative body, or their representatives, in companies that have a significant shareholding in the listed company or in group entities of these significant shareholders:

Name of director (person or company) or representative associated	Name or company name of the significant shareholder associated	Name of the Group Company of the significant shareholder	Relationship/position description
MR SANTIAGO DOMEQ BOHÓRQUEZ	ANGUSTIAS Y SOL S.L.	ANGUSTIAS Y SOL S.L.	Corporate. Santiago Domecq holds 100% of the share capital of Angustias y Sol S.L.
MR JAVIER FERNÁNDEZ ALONSO	CORPORACIÓN FINANCIERA ALBA S.A.	CORPORACIÓN FINANCIERA ALBA S.A.	Professional. Mr Javier Fernández Alonso is Managing Director of

**ANNUAL CORPORATE GOVERNANCE
REPORT OF LISTED CORPORATIONS**

Name of director (person or company) or representative associated	Name or company name of the significant shareholder associated	Name of the Group Company of the significant shareholder	Relationship/position description
			Corporación Financiera Alba, S.A.

A.7. Indicate whether the company has been informed of any shareholder agreements that may affect it as set out under articles 530 and 531 of the Corporate Enterprises Act. Where applicable, briefly describe them and list the shareholders bound by such agreement:

Yes
 No

Indicate whether the company is aware of the existence of concerted actions amongst its shareholders. If so, describe them briefly:

Yes
 No

Expressly indicate whether any of such agreements, arrangements or concerted actions have been modified or terminated during the fiscal year:

A.8. Indicate whether any person or organisation exercises or may exercise control over the company pursuant to article 5 of the Securities Exchange Act. If so, identify names:

Yes
 No

A.9. Fill in the following tables about the Company's treasury stock: At

year-end:

Number of direct shares	Number of indirect shares (*)	% of total share capital
419.095		0,90

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

(*) Via:

name or company name of the direct shareholder	Number of direct shares
N/D	

Explain the significant changes that occurred during the year:

Explain the significant changes

During the 2023, 15,389 treasury shares were delivered to Viscofan staff within the framework of the company's variable remuneration plans.

Also in 2023, the Company acquired 112,800 treasury shares under the protection of the authorisation granted by the General Shareholders' Meeting on 27 April 2023.

Thus, as of 31 December 2023, the company held 419,095 treasury shares representing 0.90% of the voting rights.

A.10. Describe the conditions and term of the current mandate from the general shareholders' meeting to the Board of Directors to issue, buy back and transfer treasury shares.

Extract of the Minutes of the General Shareholders Meeting held on 27 April 2023 on second call, the following resolution was adopted by majority:

To authorise the Board of Directors, with express power of substitution, for the derivative acquisition of shares in the Company, directly or through Viscofan Group companies, in accordance with articles 146, 509 and concordant articles of the Capital Companies Act and, if appropriate, to reduce the share capital to redeem treasury stock and consequent amendment of article 5 of the Articles of Association. Delegation of necessary powers to the Board of Directors so it can implement resolutions.

The conditions were as follows:

- Purchases may be made directly by the Company or by any of its subsidiaries under the same terms as this resolution.
- Purchases will be made in one or more times through purchase, exchange or any other transactions permitted by law.
- Purchases may be made at any time up to the maximum amount allowed by law.
- Purchases may not be made at a price lower than the share's par value and 15% higher than the listed price of the share in the Spanish Stock Exchange Interconnection System at the time the purchase order is entered.
- The authorisation is granted for a period of five years from the date this resolution is passed.
- As a result of the purchase of shares, including those that the Company or the person acting in its own name but on behalf of the Company had previously acquired and had in its portfolio, the resulting equity may not be reduced below the amount of the share capital plus reserves that are legally or statutorily restricted, in accordance with the provisions of article 146.1(b) of the Corporate Enterprises Act.

It is expressly resolved that the own shares purchased as a result of this authorization, as well as those previously purchased by virtue of the previous authorisation granted on 25 May 2018, may be used either for disposal or redemption, or application of the remuneration systems referred to in the third paragraph article 146(a) of the Corporate Enterprises Act and especially be used, in whole or in part, for delivery to the beneficiaries of any remuneration plan(s) for directors, managers and employees of the Company that, as the case may be, are approved.

In order to be able to redeem any treasury shares of Viscofan S.A. held on its balance sheet, charged to profits or unrestricted reserves and for the amount that is convenient or necessary at any given time, reduce the share capital to the maximum of treasury shares at any given time, it delegates to the Board of Directors the execution of the previous capital reduction resolution. The Board may carry out such execution one or more times within a maximum period of five years, from the date of this resolution and carry out all processes, procedures and authorisations that are necessary or required by the Corporate Enterprises Act and any other provisions that are applicable. In particular,

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

it is delegated so that, within the term and limits indicated for such execution, it may fix the date or dates of the specific capital reduction or reductions, their timeliness and advisability, taking into account market conditions, the share price, the economic and financial situation of the Company, its cash flow, reserves and development of the company and any other aspect that may influence such decision; specify the amount of the capital reduction; determine whether the reduction is to be made either from a restricted reserve or from unrestricted reserves, providing, where appropriate, the guarantees and complying with the legally required conditions; adapt article 5 of the Articles of Association to the new figure for the share capital; request the delisting of the redeemed securities and, in general, adopt such resolutions as may be necessary for the purposes of such redemption and consequent capital reduction, designating the persons who may intervene in its formalisation.

This resolution revokes and nullifies, in the amount not used, the authorisation granted at the General Shareholders' Meeting held on 25 May 2018 in its fifth item on the agenda.

A.11. Estimated floating capital:

	%
Estimated floating capital	65,52

A.12. Indicate whether there is any restriction (statutory, legislative or of any other nature) on the transferability of securities and/or any restriction on voting rights. In particular, report the existence of any type of restrictions that may make it difficult to take control of the company through the acquisition of its shares in the market, as well as authorisation or prior notice systems that are applicable to the acquisitions or transfers of the company's financial instruments by sectoral regulations.

Yes
 No

A.13. Indicate whether the General Meeting has agreed to adopt measures to neutralise a public takeover bid, pursuant to Act 6/2007.

Yes
 No

If so, explain the measures approved and the terms and conditions under which the restrictions would become inefficient:

A.14. Indicate whether the company has issued securities that are not traded on a regulated market in the EU.

Yes
 No

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

Where applicable, indicate the different types of shares, and what rights and obligations each share class confers.

B. GENERAL SHAREHOLDER'S MEETING

B.1. Indicate and, if applicable, explain whether there are differences with the minimum requirements set out in the Corporate Enterprises Act ("CEA") in connection with the quorum needed to hold a valid General Shareholders' Meeting.

Yes
 No

B.2. Indicate, and where applicable give details, whether there are any differences from the minimum standards established under the Corporate Enterprises Act (CEA) for the adoption of corporate resolutions:

Yes
 No

B.3. Indicate the rules applicable to amendments to the company by-laws. In particular, report the majorities established for amending the Bylaws, and, if applicable, the rules established to safeguard member rights when amending the Bylaws.

There is no specific regulation for the amendment of articles of association other than that provided for by the applicable regulations themselves, relating to the requirements established by art. 194 of the Capital Companies Act for the quorum of constitution reinforced in special cases and by the other provisions of Title VIII "The amendment of the articles of association" of the aforementioned regulation.

The requirements for passing resolutions to modify company bylaws set forth in article 20 of the Bylaws and articles 18 and 22 of the Regulations of the General Shareholders' Meeting match those stated above.

B.4. Indicate the data on attendance at the general shareholders' meetings held the year to which this report refers and the previous two years:

General Shareholders Meeting Date	Attendance information				Total
	% shareholders present	% Attending by proxy	% voting remote		
			Electronic vote	Other	
23/04/2021	19,30	62,20	0,00	0,60	82,10
Of floating capital	0,38	51,84	0,00	0,60	52,82
29/04/2022	19,90	62,20	0,00	0,60	82,70
Of floating capital	0,04	51,83	0,00	0,60	52,47
27/04/2023	20,10	63,70	0,00	2,30	86,10
Of floating capital	0,55	55,52	0,00	2,30	58,37

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

B.5. Indicate whether there have been any items on the agenda at the general meetings held during the year that, for any reason, have not been approved by the shareholders.

Yes
 No

B.6. Indicate if there is a statutory restriction that establishes a minimum number of shares necessary to attend the general shareholders' meeting, or to vote remotely.

Yes
 No

Number of shares necessary to attend the General Shareholders' meeting:	100
Number of shares necessary to vote remotely	1

B.7. Indicate whether it has been established that certain decisions, other than those established by law, involving an acquisition, transfer, contribution of essential assets to another company or other similar corporate operations must be submitted for the approval of the general shareholders' meeting.

Yes
 No

B.8. Indicate the address and means of access through the company website to the information on corporate governance and other information on the general meetings that must be made available to shareholders on the company's website.

The information is published on Viscofan's website whose address is: www.viscofan.com

The information relating to Corporate Governance is available on the Corporate Governance tab, which can be found at the top of the website homepage.

The information relating to the General Shareholders Meetings is available on the Investor Relations tab, located at the top of the website homepage. Once inside the tab, the information can be accessed by selecting the General Shareholders' Meeting section. Moreover, as of the date of publication of the notice to hold a new General Meeting, a direct link is enabled on the company's Home Page where the notice of meeting is found and in accordance with the shareholders' right to information, there is also access to legally-required documentation and other documentation for information purposes.

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

C. CORPORATE GOVERNANCE STRUCTURE

C.1. Board of directors

C.1.1 Maximum and minimum number of directors established in the bylaws and the number set by the general meeting:

Maximum number of Directors	12
Minimum number of Directors	5
Total number of Directors set by the board	11

C.1.2 Fill in the following table on the Board members:

Name of director (person or company)	Representative	Type of directorship	Position on the board	Date first elected	Date of last election	Election procedure
MR JOSÉ DOMINGO DE AMPUERO Y OSMA		Executive	CHAIRMAN	27/02/2009	27/04/2023	VOTE AT THE GENERAL SHAREHOLDERS ' MEETING
MR JOSÉ ANTONIO CANALES GARCÍA		Executive	DIRECTOR	11/04/2014	29/04/2022	VOTE AT THE GENERAL SHAREHOLDERS ' MEETING
MR JAIME REAL DE ASÚA Y ARTECHE		Independent	VICE-CHAIRMAN	11/04/2014	29/04/2022	VOTE AT THE GENERAL SHAREHOLDERS ' MEETING
MR JOSÉ MARÍA ALDECOA SAGASTASOLOA		Independent	INDEPENDENT LEAD DIRECTOR	23/05/2012	29/04/2022	VOTE AT THE GENERAL SHAREHOLDERS ' MEETING
MS LAURA GONZÁLEZ MOLERO		Independent	DIRECTOR	25/05/2018	29/04/2022	VOTE AT THE GENERAL SHAREHOLDERS ' MEETING
MS AGATHA ECHEVARRÍA CANALES		Other External	DIRECTOR	24/06/1998	29/04/2022	VOTE AT THE GENERAL SHAREHOLDERS ' MEETING
SANTIAGO	ANGUSTIAS Y SOL S.L.	Nominee	DIRECTOR	21/04/2016	24/04/2020	BOARD AGREEMENT

**ANNUAL CORPORATE GOVERNANCE
REPORT OF LISTED CORPORATIONS**

Name of director (person or company)	Representative	Type of directorship	Position on the board	Date first elected	Date of last election	Election procedure
DOMECQ BOHÓRQUEZ						GENERAL SHAREHOLDERS' MEETING
MS MARIA CRISTINA HENRÍQUEZ DE LUNA BASAGOITI		Independent	DIRECTOR	29/04/2022	29/04/2022	VOTE AT THE GENERAL SHAREHOLDERS ' MEETING
MR ANDRÉS ARIZKORRETA GARCÍA		Independent	DIRECTOR	29/04/2022	29/04/2022	VOTE AT THE GENERAL SHAREHOLDERS ' MEETING
MR JAVIER FERNÁNDEZ ALONSO	CORPORACIÓN FINANCIERA ALBA S.A.	Nominee	DIRECTOR	23/06/2022	27/04/2023	VOTE AT THE GENERAL SHAREHOLDERS ' MEETING
VERÓNICA PASCUAL BOÉ		Independent	DIRECTOR	20/12/2023	20/12/2023	COOPERATION

Total number of Directors	11
---------------------------	----

Indicate any dismissals that have occurred on the Board of Directors as a result of resignation or by agreement at the General Shareholders' Meeting during the reporting period.

Name of director (person or company)	Condition of director at time of severance	Date of last election	Date of leaving	Specialised committees of which he/she was a member	Indicate whether the dismissal occurred before the end of their term
MS CARMEN DE PABLO REDONDO	Independent	24/04/2020	20/12/2023	AUDIT COMMITTEE	YES

Cause of removal, if before the end of the term of office and other remarks; information on whether the director has sent a letter to the other members of the board and, in the case of removals of non-executive directors, explanation or opinion of the director who has been removed by the general meeting

Carmen de Pablo Redondo, independent external director, whose term of office was due to expire on 24 April 2024, resigned with effect on 20 December 2023 as a member of the Company's Board of Directors and its Audit Committee. This resignation was preceded by a letter addressed to all directors in which she explained that her increased professional responsibilities as Chief Financial Officer, Strategy, Sustainability, M&A and Systems Director at her company make it difficult for her at the present time to adequately combine her duties as a director of Viscofan.

**ANNUAL CORPORATE GOVERNANCE
REPORT OF LISTED CORPORATIONS**

C.1.3 Fill in the following tables on the Board members and their different kinds of directorship:

EXECUTIVE BOARD MEMBERS		
Name of director (person or company)	Position within company organisation	Profile
MR JOSÉ DOMINGO DE AMPUERO Y OSMA	EXECUTIVE CHAIRMAN	Industrial Engineer from Bilbao's Higher School of Industrial Engineers and Master of Business Administration from the University of Southern California. Los Angeles. USA. His extensive career has led him to hold various important positions, such as Vice-Chairman of Naviera Vizcaína, Chairman of S.A. de Alimentación, Vice-Chairman of BBVA Bancomer (México), Chairman of Bodegas y Bebidas, Vice-Chairman of Banco Bilbao Vizcaya Argentaria S.A., Vice-Chairman of Iberdrola, Chairman of Cementos Leona S.A., Director of Tubacex S.A., Director Corporación Financiera Alba and member of the Board of Directors of the Asociación para el Progreso de la Dirección. He is Chairman of Autopista Vasco-Aragonesa S.A. and with effect from 6 February 2024, he has been appointed Chairman of Autovía del Camino S.A. Among other activities, he is also a member of the Basque Business Circle, of which he is the former chairman, and a member of the Board of Caridad de la Santa y Real Casa de Misericordia of Bilbao, of which he is also the former chairman. He was Executive Chairman of the Viscofan Group from 27 February 2009 until 31 December 2023, contributing to the enhancement of the Group's leadership and its growth and geographic expansion. Since 1 January 2024, he has been Non-Executive Chairman of Viscofan S.A.
MR JOSÉ ANTONIO CANALES GARCÍA	GENERAL MANAGING DIRECTOR	Degree in Economics and Business from Deusto Business School, Advanced course of studies in International Transport & Distribution at the London School of Foreign Trade. He has in-depth knowledge of the casings business, thanks to his experience within the Viscofan Group, which he joined in 1996 as Managing Director of Viscofan do Brasil, where he led the expansion of the Viscofan Group in South America until his appointment in 2006 as Managing Director of Viscofan, S.A. and the Group of companies of which it is the parent company, a position from which he has significantly contributed to strengthening Viscofan's leadership and its international expansion. Since January 2024, he has held the position of Chief Executive Officer. He is a member of the advisory board of ABE capital partners and of the Board of Trustees representing the Viscofan Group at Fundación Cetena (CEMITEC) and until 2019 he was a director of Maxam Corporation Holding, S.L. He is also a member of the Board of Directors of ACERMAS, Asociación Centro Rafaela María de Acción Social, for the integration of people with mental disabilities.

Total number of Executive Directors	2
% of total directors	18,18

**ANNUAL CORPORATE GOVERNANCE
REPORT OF LISTED CORPORATIONS**

EXTERNAL PROPRIETARY DIRECTORS		
Name of director (person or company)	Name or company name of the significant shareholder he/she represents or who proposed his/her appointment	Profile
MR SANTIAGO DOMECQ BOHÓRQUEZ	ANGUSTIAS Y SOL S.L.	He studied at the School of Economic and Business Sciences of the Universidad Pontificia Comillas-ICADE (Madrid) and at the School of Economic and Business Sciences of the University of Cádiz (UCA). Specialisation course in Managing Agrifood Companies (DEA) at the International Institute San Telmo (Seville). In his broad professional experience as an entrepreneur, his appointments include Director of Coca-Cola Iberian Partners, S.L. until 2015, and prior to that, from 1997 Director of Refrescos Envasados del Sur, S.A. (RENDELSUR), a company that joined Coca-Cola Iberian Partners S.L. in 2013. He was also a Director of Algar Aguas de Cádiz, S.A. He is currently a Member of the Provincial Board of Cádiz, a member of the Los Alcornocales Nature Reserve and Member of the Provincial Environment Council. He is the Sole Director of Angustias y Sol, S.L and of its group of subsidiary companies operating in the financial, agriculture and livestock sectors, among others. Proprietary Director of Viscofan representing Angustias y Sol S.L., and member of its Appointments, Remuneration and Sustainability Committee.
MR JAVIER FERNÁNDEZ ALONSO	CORPORACIÓN FINANCIERA ALBA S.A.	Degree in Business Administration and Management from the University of Deusto, with honours, specialising in Finance. He has extensive experience in business management and administration. He is currently the Managing Director of Corporación Financiera Alba, S.A. In 2000, he started his career in investment banking (mergers and acquisitions) at Goldman Sachs in London and subsequently joined ABN AMRO in Madrid in 2002. In 2006, he joined the Investment Department of Corporación Financiera Alba, S.A. and was appointed Deputy Chief Investment Officer in 2007, Chief Investment Officer in 2012 and Chief Executive Officer from 2020. On behalf of Alba, he is currently a member of the Board of Directors of CIE Automotive S.A, Ebro Food S.A., Profand Fishing Holding S.L and the vehicles Rioja y Rioja Acquisition S.à r.l. (Naturgy). Previously, he was Director, among others, of Acerinox, ACS, Dragados, ACS Servicios y Concesiones, Euskaltel, Parques Reunidos and Clínica Baviera. In addition, he is a member of the Investment Committee of two funds managed by Artá Capital SGEIC, S.A. and of several of the group's private equity vehicles. Since June 2022, he has been a proprietary director of Viscofan, S.A. on behalf of Corporación Financiera Alba and a member of its Audit Committee.

Total number of nominee directors	2
% of total directors	18,18

**ANNUAL CORPORATE GOVERNANCE
REPORT OF LISTED CORPORATIONS**

EXTERNAL INDEPENDENT DIRECTORS	
Name of director (person or company)	Profile
MS LAURA GONZÁLEZ MOLERO	<p>Ms González Molero holds a Degree in Pharmacy, specialising in industry, from the Universidad Complutense de Madrid, an Executive MBA from the IE Business School awarded in 1999 and has taken advanced courses in prestigious international academic institutions such as Insead, IMD and Harvard. She has held senior executive positions in major international corporations in the Healthcare and Chemical sectors in Europe and America. She was Chairwoman for Latin America at Merck Serono Biopharmaceuticals and Bayer Healthcare, having resided in Brazil and the United States, where she was responsible for more than two thousand five hundred employees and managed business figures in excess of one billion dollars, which has made her an international benchmark in these sectors. Her work as an executive has been rewarded on numerous occasions. She has also been an independent director of Bankia SA until its merger with Caixabank in March 2021 and of Ezentis SA until June 2022. Between 2010 and 2016 She was an independent director of Viscofan, and a member of its Appointments and Remuneration Committee, where she carried out an important job promoting and consolidating the functions of this Committee, as well as contributing diversity to the Board's decision-making through her participation in the various debates and deliberations where her criteria and opinion have contributed to the development of the Viscofan Group until the end of her mandate as an independent Director in 2016, when her professional commitments prevented her from considering her renewal as a Director. She is currently an independent director of Acerinox SA, Banco Sabadell, President of the Asociación para el Progreso de la Dirección (ApD), member of the Advisory Board of ISS in Spain. She is member of the Board of Directors of Viscofan S.A. and a member of the Audit Committee of which she chairs.</p>
MR JAIME REAL DE ASÚA Y ARTECHE	<p>Industrial engineer, specialising in industrial organisation from the ETSII (Bilbao). Mr Real de Asúa y Arteche is currently Non-executive Chairman of the Board of Directors of Elecnor S.A., Chairman of the Executive Committee and member and secretary of the Appointments, Remuneration and Sustainability Committee. He is also Chairman of the Committee of Elecnor Servicios y Proyectos and Director of Enerfín Sociedad de Energía, S.L., belonging to the Elecnor Group, Vice-Chairman of Cantiles XXI, S.L, and Director of Onchena, S.L. In addition, he is a member of the BBVA Advisory Board of the Northern Zone and of the Business Circle, and member of the Board of Trustees of the Adey Foundation. He has also been Chairman and Director of Adhorna Prefabricación S.A. until its takeover merger by Elecnor in 2015, and director of Celeo Concesiones e Inversiones, S.L.U., as well as the Elecnor Group. From 1987 to 2012, he was director of Internacional de Desarrollo Energético, S.A. (IDDE) and until May 2023 has been Director of Tasdey S.A. At the same time, from 1981 until 2011 he was linked to Grupo Cementos Portland Valderrivas, where he held different management positions and was a member of the Board of Directors of various companies of this Group. He is Vice-Chairman of the Board of Directors of Viscofan, S.A, and Chairman of the Appointments, Remuneration and Sustainability Committee.</p>
MR JOSÉ MARÍA ALDECOA SAGASTASOLOA	<p>Technical Engineer in Electronics from the University of Mondragón and Senior Business Management Programme from IESE. Throughout his long professional career, he has held various posts at COPRECI (1971-1982). He was Managing Director of Fagor Electrónica and a member of the Board of Directors of Fagor, S. Coop (1982-1991). Between 1984 and 1991, he was Vice-Chairman of ANIEL (National Association of Electronic Industries) and Board member of Asociación Europea de Componentes Electrónicos (EECA). From 1992 he continued his professional activities</p>

**ANNUAL CORPORATE GOVERNANCE
REPORT OF LISTED CORPORATIONS**

EXTERNAL INDEPENDENT DIRECTORS	
Name of director (person or company)	Profile
	<p>at MONDRAGON CORPORACION as Vice Chairman (1992-2006), managing the Components Division (1992-1999) and the Automotive Division (1999-2006). In 2007 he was appointed Chairman, a position he held until July 2012. He has a wealth of experience in the international industrial world, especially in Asia, including the creation of Fagor Electrónica in Hong Kong and Thailand and the integration of the production plants in the Kunshan industrial park, China. He has been a Director of several component and automotive companies (Copreci in the Czech Republic and Mexico), Fagor Ederlan in Brazil and Slovakia, Paranoa-Cicauxo in Brazil, FPK, Chairman of Vitorio Luzuriaga) and the position of board member (1992-2006) and Chairman (2007-2012) at MONDRAGON INVERSIONES. He was an independent director and member of the Executive Committee of Gamesa Corporación Tecnológica, S.A. from 2012 to 2017. He is a member of the Board of Directors of Viscofan S.A., and of the Appointments, Remuneration and Sustainability Committee and has been a member of the Audit Committee until November 2022. In 2014 he was appointed Coordinating Director.</p>
MR ANDRÉS ARIZKORRETA GARCÍA	<p>Degree in Economics from the University of Deusto. He has extensive experience in General Management as CEO of a listed company with a wide projection in the Spanish industrial business environment. Accustomed to international business development, he has been able to successfully implement his company in all global markets. He has spent his entire professional career at CAF. He started in the economic area in 1980 in an internal control post and progressed until 1982, when he became responsible for accounting, administration and people in the areas related to manufacturing. This experience gave him in-depth knowledge of CAF factory environments and the understanding of operations. In 1987, he was appointed Personnel Director of the Company and in 1989 he became Director of the Beasain and Irún plants. In 1992, he became a member of the Board of Directors and has been appointed Managing Director of the company. In 2006, he was appointed as CEO of the CAF Group until 2015, the year in which he was appointed as the Company's Executive Chairman, holding the post of Non-Executive Chairman since 2021. He is also linked with Deusto Business School as a Director with the Management Knowledge Cluster as Chairman, and with the Technical Research Centre of Guipúzcoa as a member of the Board of Trustees. His current responsibilities in addition to his current roles at CAF include</p> <p>at Orkestra Basque Institute of Competitiveness, where he is a member of the Board. He is also the Chairman of the Circle of Basque Businessmen, member of the Academy of Sciences, Arts and Letters (Jakiunde), and of the Board of Trustees of the Donostia International Physics Center Foundation. He has been a member of the Board of Directors of Viscofan, S.A. since April 2022, and of its Appointments, Remuneration and Sustainability Committee, and its Audit Committee.</p>
MS MARIA CRISTINA HENRÍQUEZ DE LUNA BASAGOITI	<p>Ms Henríquez de Luna Basagoiti holds a degree in Business Administration from Universidad Pontificia Comillas (ICADE E2). She has in-depth experience and financial knowledge of multinational best practices</p> <p>in various sectors and extensive international experience in both developed and developing markets and has worked in Spain, Germany, Peru, Mexico, Switzerland and the UK. Between 1989 and 2010, she spent her career at Procter & Gamble, where she joined as a Financial Analyst (1989-1991), then coupling posts of varying responsibility: Finance Manager, Cosmetics and Fragrances, (1991-1994), Director of Finance and Accounting for Peru, Ecuador and Bolivia (1994-2001), Treasurer Latam (2001-2004), Chief Financial and Accounting Officer, Latam North (2004-2006) and Vice President of Finance and</p>

**ANNUAL CORPORATE GOVERNANCE
REPORT OF LISTED CORPORATIONS**

EXTERNAL INDEPENDENT DIRECTORS	
Name of director (person or company)	Profile
	<p>Accounting for Western Europe (2006-2010) where she led an financial organisation for an \$18-billion revenue region. In 2010, she joined GSK as Senior Vice President Finance for Pharma Europe and, two years later, also assumed financial responsibility for the Global Franchises. In 2014, she was appointed President and CEO in Spain, with responsibility for Iberia and Israel. In May 2023, as a result of a strategic reorganisation of GSK in Europe, she left her responsibilities as head of Portugal and Israel, and is currently Chairwoman and CEO of GSK in Spain. She is also currently a Director and member of the Audit and Compliance Committee of the companies Meliá Hotels International, S.A. and Applus Services, S.A. She is the Vice Chairwoman of the Health Sciences Foundation, the Vice Chairwoman of the Spain Health Foundation, and the Vice Chairwoman of Farmaindustria and member of its Governing Council and Board of Directors. She is a member of the Executive Committee and Trustee of the SERES Foundation, Society and Responsible Business, as well as Trustee of the Cotec Foundation. Since 2022, she has been an Independent Director of Viscofan, S.A. and a member of its Audit Committee.</p>
MS VERÓNICA PASCUAL BOÉ	<p>Ms Pascual Boé holds a degree in Aeronautical Engineering from the Polytechnic University of Madrid, a Master in Business Administration (MBA) from the Collège des Ingénieurs de Paris and an Executive Master in Positive Leadership and Strategy (EXMPLS) from IE Business School. She also holds several postgraduate degrees from INSEAD, Stanford, and Harvard Business School. She is an entrepreneur who has led a group of companies linked to digital transformation for 18 years, headed by ASTI Mobile Robotics Group, a company based in Spain, France, Germany and the United States, engaged in supplying autonomous vehicle systems for the automation of industrial processes in sectors such as automotive, food, cosmetics, pharmaceuticals and retail. As of August 2021, ASTI Mobile Robotics was integrated into ABB Robotics and Ms Pascual became Global Manager of Autonomous Mobile Robotics until January 2023. She currently leads her family office, ALBP Corp, one of whose main objectives is to invest in technology-based projects.</p> <p>Ms Pascual also chairs the ASTI Technology and Talent Foundation, a foundation created for the development of STEM talent for young people from an early age. She is also Vice-Chairman of Endeavor España, member of the Advisory Board of Telefónica Tech, and Director of the companies Telefónica S.A., General de Alquiler de Maquinaria, S.A. (GAM), Telefónica Audiovisual Digital, Marsi Bionics and Viscofan. She began her international career in the Strategic Human Resources Management Department of the multinational industrial group Bouygues. In 2004, she joined the family company ASTI, having held different positions in the company's management (Technical and Commercial Management). At the end of 2006, she took over as CEO and, in 2008, opted for the acquisition of the company. Previously, she has held various positions, including, among others, the following:</p> <p>Promoter and Founder of the Digital Innovation Hub of Burgos, through ASTI of DIHBU (2018); Chair of the Industry 4.0 Working Group of the Junta de Castilla y León (2016 - 2018); Chair of the Industry Committee 4.0 and Vice-President for Talent Development at AMETIC (2016-2018); Member of the Advisory Board of the University System Quality Agency (2015-2016); Member of the Advisory Board of EAE Business School (2015 - 2016); Member of the Governing Council of APD Castilla y León (2014 - 2015); Member of the Board of Directors of Empresa Familiar Castilla y León (2001 - 2013) She is an Independent Director of Viscofan SA.</p>

**ANNUAL CORPORATE GOVERNANCE
REPORT OF LISTED CORPORATIONS**

Total number of Independent Directors	6
% of total directors	54,55

Indicate whether any director considered an independent director is receiving from the company or from its group any amount or benefit under any item that is not the remuneration for his/her directorship, or maintains or has maintained over the last year a business relationship with the company or any company in its group, whether in his/her own name or as a significant shareholder, director or senior manager of an entity that maintains or has maintained such a relationship.

Where applicable, include a reasoned statement from the Board with the reasons why it deems that this director can perform his/her duties as an independent director.

Name of director (person or company)	Description of the relationship	Motivated declaration
N/D		

OTHER EXTERNAL DIRECTORS

Identify all other external Directors and explain why these cannot be considered proprietary or independent Directors and detail their relationships with the company, its executives or its shareholders:

Name of director (person or company)	Reasons	Company, senior manager or shareholder to which Director has ties	Profile
MS AGATHA ECHEVARRÍA CANALES	For having remained on the Board of Directors for more than 12 years	-----	Degree in Law and a graduate in Business Studies from the Universidad Pontificia de Comillas (ICADE). She has had broad professional experience in a number of multinationals, such as the audit firm Touche and Ross, S.A., British Petroleum España, S.A. and in the investment bank Charterhouse Limited where she held the position of Managing Director and Director of its Spanish subsidiary, and founder and director of D+A Documentación y Análisis S.A. She has acted as a business strategy adviser to family firms and is currently Director of Papelera Guipuzcoana de Zicuñaga, SA and Banca March being part of its Audit

**ANNUAL CORPORATE GOVERNANCE
REPORT OF LISTED CORPORATIONS**

OTHER EXTERNAL DIRECTORS

Identify all other external Directors and explain why these cannot be considered proprietary or independent Directors and detail their relationships with the company, its executives or its shareholders:

Name of director (person or company)	Reasons	Company, senior manager or shareholder to which Director has ties	Profile
			Committee and Remuneration Committee. She is a member of the Board of Directors of Viscofan, S.A. and of its Audit Committee.

Total number of other external directors	1
% of total directors	9,09

Indicate any changes that may have occurred during the period in the type of directorship of each director:

Name of director (person or company)	Date of the change	Former category	Current category
N/D			

C.1.4 Fill in the following table with information regarding the number of female directors at year-end over the last 4 years, and the category of their directorships.

	Number of female directors				% of total female directors of each category			
	FY 2023	FY 2022	FY 2021	FY 2020	FY 2023	FY 2022	FY 2021	FY 2020
Female Executives					0,00	0,00	0,00	0,00
Female Proprietary Directors					0,00	0,00	0,00	0,00
Independent	3	3	2	2	50,00	50,00	40,00	40,00
Other external	1	1	1	1	100,00	100,00	50,00	50,00
Total	4	4	3	3	36,36	36,36	27,27	27,27

C.1.5 Indicate whether the company has diversity policies in relation to the company's board of directors with regard to issues such as age, gender, disability, or professional training and experience. As a minimum, small and medium-sized companies, in accordance with the definition contained in the Accounts Auditing Law, will have to inform of the policy they have established in relation to gender diversity.

- Yes
 No
 Partial policies

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

If you have ticked yes, describe these diversity policies, their objectives, the measures and the way in which they have been applied and their results during the year. The specific measures adopted by the board of directors and the appointments and remuneration committee should also be indicated to achieve a balanced and diverse presence of directors.

In case the company does not apply a diversity policy, explain the reasons why.

Description of the policies, objectives, measures and manner in which they have been applied, as well as the results obtained

The Viscofan Group has a specific policy on the Selection of Directors and Diversity of the Board of Directors approved by the Board itself.

In accordance with the principles of good corporate governance and following the amendment of the Code of Good Governance by the Spanish National Securities Market Commission (CNMV) of June 2020, this policy for director selection and public, specific and verifiable diversity was updated in 2020. The objective of the policy is to ensure that proposals for the appointment or re-election of directors are based on a prior analysis of the skills required by the Board of Directors and to encourage the diversity of knowledge, experience, age and gender required on the Board at all times, taking into account the vacancies to be covered and the structure and composition of the Board.

This policy therefore establishes and promotes the principle of diversity. Based on this, the selection of directors should be guided by the aim of achieving a diverse and balanced composition of the Board of Directors which would contribute different points of view to the discussions it holds, thus enriching the decision-making process. With this in mind, in the selection of candidates for board members, consideration will be given to candidates whose appointment contributes to increasing the diversity of knowledge, skills, experience, origins, nationalities, age and gender.

Article 8 of the Regulations of the Board of Directors was amended in 2021 to incorporate into the director selection procedure the diversity criteria under the terms introduced by the Code of Good Governance in the reform of June 2020.

This article states that the Board of Directors must ensure that the selection procedures for their members favour diversity, respect matters regarding age, gender, disability or professional knowledge and experience and do not have an implicit bias that may imply any discrimination and, in particular, that facilitates the selection of female directors to allow for a balanced presence of men and women.

In this aspect the Regulations includes the need for establishing an objective regarding representation for the least represented sex on the Board of Directors and the drafting of recommendations to reach this objective, for which the Appointments, Remuneration and Sustainability Committee was made responsible.

In relation to the measures and the manner in which they are applied and their results in the exercise of the aforementioned regulations and policy, when the Appointments, Remuneration and Sustainability Committee or the Board itself, as the case may be, has to propose the appointment or re-election of directors, without prejudice to respect for the competence matrix, the inclusion in the process of candidates who contribute to incorporating directors of the least represented gender is actively sought, and when faced with two similar professional profiles, the female candidate will be chosen.

In view of the vacancy left by Ms Carmen de Pablo Redondo, in the 2023 financial year, the Appointments, Remuneration and Sustainability Committee conducted a search for the most suitable candidates to join the Board of Directors on the basis of the provisions of said Policy, and finally proposed the appointment of Ms Verónica Pascual Boé as new director, maintaining the number of directors of the least represented gender on the board at 36%.

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

C.1.6 Explain the measures, if any, agreed by the Appointments Committee to ensure that selection procedures do not suffer from implicit biases that may hinder the selection of female directors, and that the company deliberately seeks and includes potential female candidates, who meet the professional profile sought and that would enable a balanced presence of women and men to be reached. Also indicate whether these measures include promoting the presence of a significant number of women in the company's senior management:

Explanation of measures

Based on the Director Selection and Diversity policy explained in the previous point, the Appointments, Remuneration and Sustainability Committee must ensure that consideration is given to persons of both sexes who have the necessary qualifications for the position of director.

As described in section C.1.5 above, in view of the vacancy left by Ms Carmen de Pablo Redondo, in the 2023 financial year, the Appointments, Remuneration and Sustainability Committee conducted a search for the most suitable candidates to join the Board of Directors on the basis of the provisions of said Policy, and finally proposed the appointment of Ms Verónica Pascual Boé as new director, maintaining the number of directors of the least represented gender on the board at 36%.

Likewise, the Appointments, Remuneration and Sustainability Committee in compliance with Recommendation 14 of the Good Governance Code of Listed Companies ("CBG") and the Selection and Diversity Policy, in relation to the prior analysis of the needs of the Company and the competencies required by the Board of Directors regarding the proposals on the composition of the Board of Directors for the General Shareholders' Meeting of 2024, issued a report on 15 February 2024, which will be made available to the shareholders, proposing a reduction of the number of members of the Board of Directors from eleven (11) to ten (10) members, considering that this maintains a balanced and diverse composition, and particularly that the percentage of women out of the total number of members of the Board of Directors will reach 40% (compared to 36% as at 31 December 2023), reaching the target for female representation set out in Recommendation 15 of the CBG.

Furthermore, the director selection and diversity policy determines that the Company shall also promote diversity policies that encourage the Company to have a significant number of senior managers through effective equal opportunities, measures to reconcile personal and family life and including candidates of the least represented gender in all internal processes for filling management positions.

In its development, within the Sustainability Action Plan approved by the Board of Directors, the objective has been set to increase the percentage of women in management positions from 15.6% in 2018 to 30% in 2030. With this objective, the Group is working to identify and promote female talent, which is reflected in the increase in the percentage of women in management positions, which has risen to 22.4% in 2023 compared to 19.5% in 2022.

When, despite any measures that might have been adopted, the number of female directors or in senior management is low or zero, explain the reasons:

Explanation of reasons

See previous point.

C.1.7 Explain the conclusions of the Appointments Committee regarding verification of compliance with the policy aimed at establishing an appropriate composition of the Board of Directors.

The Appointments, Remuneration and Sustainability Committee considers that the director selection and diversity policy has been suitably complied with. In particular, in application of the policy, the Committee has concluded that the composition of the Board of Directors satisfies the recommendations of the CBG and best practices and standards of corporate governance:

(i) the number of members of the Board of Directors is within the limits laid down in the Articles of Association (article 25, which sets the minimum number of members of the Board of Directors at 5 and the maximum number at 12), within the range of between five (5) and fifteen (15) members indicated in Recommendation 13 of the CGG and is a number of directors in line with that of other companies comparable to Viscofan.

(ii) non-executive directors would continue to constitute the vast majority of the Board of Directors (9 out of 10), in accordance with Recommendation 15 of the CGG.

(iii) The number of independent directors would reach 50% of the total number of members, in compliance with Recommendation 17 of the CGG.

(iv) The percentage of proprietary directors out of the total number of non-executive directors (2 out of 9) is in line with the proportion existing between the share capital of the Company represented by such directors and the rest of the share capital, in accordance with Recommendation 16 of the CGG.

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

(v) The percentage of women out of the total number of members of the Board of Directors of 40% is expected to be reached at the General Meeting of Shareholders in 2024, which means that the target for female representation would reach the target set out in Recommendation 15 of the GCBG.

Ultimately, as a result of the application of the policy, the Committee concludes that the members of the Board of Directors are, on the whole, of recognised solvency, competence, experience and merit: (i) in the Company itself, in the Group and in the global industrial sector in which it operates, (ii) in finance, accounting, auditing and risk management, both financial and non-financial, (iii) in sustainability, regulatory compliance and corporate governance, (iv) in the digital sector and new technologies, (v) in different geographic markets and (vi) in management, leadership and business strategy, as well as (vii) each of its members, a high level of honour and training, extensive and diverse international experience and the necessary availability for the dedication that the exercise of their position demands.

C.1.8 Explain, where applicable, the reasons why nominee directors have been appointed at the behest of a shareholder whose holding is less than 3% of the capital:

Name or company name of the significant	Reasons
N/D	

Indicate whether formal petitions have been ignored for presence on the Board from shareholders whose holding is equal to or higher than that of others at whose behest proprietary directors were appointed. Where applicable, explain why these petitions have been ignored:

- Yes
 No

C.1.9 Indicate, if any, the powers and faculties delegated by the board of directors, including those relating to the possibility of issuing or buying back shares, to board members or board committees:

Name of director (person or company) or committee	Short description
JOSÉ DOMINGO DE AMPUERO Y OSMA	In his capacity as Executive Chairman of the Board, Mr Ampuero is granted powers of representation, powers relating to acquisition or disposal, powers relating to personnel, collections, payments, contracts, tenders and transactions, current accounts, credit and savings accounts, bills of exchange and promissory notes, securities and shares, bonds and guarantees, and complementary powers to the above. As of 1 January 2024, Mr Ampuero relinquished his executive functions, continuing as Chairman of the Board of Directors. Consequently, as of this date, the powers described in the preceding paragraph ceased to be vested in him.
JOSÉ ANTONIO CANALES GARCÍA	In his position as Managing Director, he has been granted powers of representation, powers relating to purchase or disposal, powers relating to personnel, collections, payments, contracts, tenders and transactions, current accounts, credit and savings accounts, bills of exchange and promissory notes, securities and shares, bonds and guarantees, and complementary powers to the above. Mr José Antonio Canales García has been appointed Chief Executive Officer of the Company, effective 1 January 2024, maintaining the powers described in the preceding paragraph, having delegated all the functions of the Board of Directors except those not delegated by law.

**ANNUAL CORPORATE GOVERNANCE
REPORT OF LISTED CORPORATIONS**

C.1.10 Identify any members of the Board holding positions as directors, representatives of directors or managers in other companies belonging to the listed company's group:

Name of director (person or company)	Name of the Group Company	Position	Does the director hold executive functions?
MR JOSÉ DOMINGO DE AMPUERO Y OSMA	VISCOFAN URUGUAY S.A.	CHAIRMAN	NO
MR JOSÉ DOMINGO DE AMPUERO Y OSMA	SUPRALON VERPACKUNGS AG	CHAIRMAN	NO
MR JOSÉ DOMINGO DE AMPUERO Y OSMA	VISCOFAN DE GMBH	CHAIRMAN	NO
MR JOSÉ DOMINGO DE AMPUERO Y OSMA	VISCOFAN DE MEXICO S. DE R.L. DE C.V.	CHAIRMAN	NO
MR JOSÉ DOMINGO DE AMPUERO Y OSMA	VISCOFAN DO BRASIL SOCIEDADE COMERCIAL E INDUSTRIAL LTDA	CHAIRMAN	NO
MR JOSÉ DOMINGO DE AMPUERO Y OSMA	VISCOFAN TECHNOLOGY SUZHOU CO. LTD.	CHAIRMAN	NO
MS AGATHA ECHEVARRÍA CANALES	SUPRALON VERPACKUNGS AG	DIRECTOR	NO
MR JOSÉ ANTONIO CANALES GARCÍA	VECTOR PACKAGING EUROPE NV	CHAIRMAN	NO
MR JOSÉ ANTONIO CANALES GARCÍA	VECTOR EUROPE NV	CHAIRMAN	NO
MR JOSÉ ANTONIO CANALES GARCÍA	VISCOFAN DE GMBH	DIRECTOR	YES
MR JOSÉ ANTONIO CANALES GARCÍA	VISCOFAN CZ S.R.O.	CHAIRMAN	YES
MR JOSÉ ANTONIO CANALES GARCÍA	VISCOFAN DO BRASIL SOCIEDADE COMERCIAL E INDUSTRIAL LTDA	MEMBER OF THE ADVISORY BOARD	NO
MR JOSÉ ANTONIO CANALES GARCÍA	VISCOFAN TECHNOLOGY SUZHOU CO. LTD.	DIRECTOR	NO
MR JOSÉ ANTONIO CANALES GARCÍA	VISCOFAN URUGUAY S.A.	VICE-CHAIRMAN	NO
MR JOSÉ ANTONIO CANALES GARCÍA	VISCOFAN USA INC	CHAIRMAN	NO
MR JOSÉ ANTONIO CANALES GARCÍA	VISCOFAN ESPAÑA S.L.U	CHAIRMAN	NO
MR JOSÉ ANTONIO CANALES GARCÍA	ZACAPU POWER S. DE R.L. DE C.V.	CHAIRMAN	NO

**ANNUAL CORPORATE GOVERNANCE
REPORT OF LISTED CORPORATIONS**

Name of director (person or company)	Name of the Group Company	Position	Does the director hold executive functions?
MR JOSÉ ANTONIO CANALES GARCÍA	VISCOFAN UK LIMITED	DIRECTOR	NO
MR JOSÉ ANTONIO CANALES GARCÍA	VISCOFAN CANADA INC	CHAIRMAN	NO
MR JOSÉ ANTONIO CANALES GARCÍA	VISCOFAN CENTROAMÉRICA COMERCIAL SOCIEDAD ANÓNIMA	CHAIRMAN	NO
MR JOSÉ ANTONIO CANALES GARCÍA	VISCOFAN DE MEXICO S. DE R.L. DE C.V.	VICE-CHAIRMAN	NO
MR JOSÉ ANTONIO CANALES GARCÍA	VISCOFAN JAPAN GK	SHOKUMU-SHIKKOSHA (DUTY EXECUTOR)	NO
MR JOSÉ ANTONIO CANALES GARCÍA	VISCOFAN (THAILAND) CO. LTD	DIRECTOR	NO
MR JOSÉ ANTONIO CANALES GARCÍA	SUPRALON VERPACKUNGS AG	DIRECTOR	NO
MR JOSÉ ANTONIO CANALES GARCÍA	SUPRALON FRANCE SARL	GÉRANT	NO
MR JOSÉ ANTONIO CANALES GARCÍA	SUPRALON PRODUKTIONS UND VERTRIEBS GMBH	DIRECTOR	NO
MR JOSÉ ANTONIO CANALES GARCÍA	VISCOFAN GLOBUS AUSTRALIA PTY LTD	DIRECTOR	NO
MR JOSÉ ANTONIO CANALES GARCÍA	VISCOFAN GLOBUS NEW ZEALAND LTD	DIRECTOR	NO

With effect from 1 January 2024, Mr Jose Domingo de Ampuero y Osma ceased to hold executive office and, as a consequence, also ceased to hold the various positions he held until that date in other companies of the group.

C.1.11 Detail the positions of board member, director, general manager, or representative thereof, that the board members or representatives of members of the board of directors of the company hold in other entities, listed or not:

Identification of the director or representative	Company name of the company, listed or not	Position
MR JOSÉ DOMINGO DE AMPUERO Y OSMA	AUTOPISTA VASCO ARAGONESA S.A.	CHAIRMAN
MR SANTIAGO DOMEQ BOHÓRQUEZ	ANGUSTIAS Y SOL S.L.	SOLE ADMINISTRADOR
MR SANTIAGO DOMEQ BOHÓRQUEZ	MODERNIZACIÓN DE CULTIVOS S.L.	SOLE ADMINISTRADOR
MR SANTIAGO DOMEQ BOHÓRQUEZ	JAIMEJUAN S.L.U.	SOLE ADMINISTRADOR

**ANNUAL CORPORATE GOVERNANCE
REPORT OF LISTED CORPORATIONS**

Identification of the director or representative	Company name of the company, listed or not	Position
MR SANTIAGO DOMEQC BOHÓRQUEZ	CULTIVOS VARIOS S.L.U.	SOLE ADMINISTRADOR
MR SANTIAGO DOMEQC BOHÓRQUEZ	AGRÍCOLA DE JÉDULA S.L.U.	SOLE ADMINISTRADOR
MR SANTIAGO DOMEQC BOHÓRQUEZ	CALDERETONES S.L.U.	SOLE ADMINISTRADOR
MR SANTIAGO DOMEQC BOHÓRQUEZ	PUERTO DE CORCHITO S.L.U.	SOLE ADMINISTRADOR
MR SANTIAGO DOMEQC BOHÓRQUEZ	PUERTO DE GÁLIS S.L.U.	SOLE ADMINISTRADOR
MR SANTIAGO DOMEQC BOHÓRQUEZ	ARRAIJANOSA S.L.U.	SOLE ADMINISTRADOR
MR SANTIAGO DOMEQC BOHÓRQUEZ	INMOBILIARIO LEBRERO S.A.	CHAIRMAN-CHIEF EXECUTIVE OFFICER
MR JAIME REAL DE ASÚA Y ARTECHE	ELECNOR S.A.	CHAIRMAN
MR JAIME REAL DE ASÚA Y ARTECHE	ELECNOR SERVICIOS Y PROYECTOS S.A.	CHAIRMAN
MR JAIME REAL DE ASÚA Y ARTECHE	ENERFIN SOCIEDAD DE ENERGÍA S.L.	DIRECTOR
MR JAIME REAL DE ASÚA Y ARTECHE	CANTILES XXI S.L.	VICE-CHAIRMAN
MR JAIME REAL DE ASÚA Y ARTECHE	TASDEY S.A. (UNTIL MAY 2023)	DIRECTOR
MR JAIME REAL DE ASÚA Y ARTECHE	RACAZ SEIS S.L.	JOINT AND SEVERAL DIRECTOR
MR JAIME REAL DE ASÚA Y ARTECHE	ONCHENA S.L. (FROM MARCH 2023)	DIRECTOR
MR ANDRÉS ARIZKORRETA GARCÍA	CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A.	CHAIRMAN
MS AGATHA ECHEVARRÍA CANALES	PAPELERA GUIPUZCOANA DE ZICUÑAGA S.A.	DIRECTOR
MS AGATHA ECHEVARRÍA CANALES	BANCA MARCH S.A.	DIRECTOR
MS AGATHA ECHEVARRÍA CANALES	MERINECHEA S.L.	JOINT AND SEVERAL DIRECTOR
MS LAURA GONZÁLEZ MOLERO	ACERINOX S.A.	DIRECTOR
MS LAURA GONZÁLEZ MOLERO	BANCO DE SABADELL, S.A.	DIRECTOR

**ANNUAL CORPORATE GOVERNANCE
REPORT OF LISTED CORPORATIONS**

Identification of the director or representative	Company name of the company, listed or not	Position
MS LAURA GONZÁLEZ MOLERO	APD, Asociación para el Progreso de la Dirección	CHAIRMAN
MR JAVIER FERNÁNDEZ ALONSO	CIE AUTOMOTIVE, S.A.	DIRECTOR
MR JAVIER FERNÁNDEZ ALONSO	EBRO FOODS, S.A.	DIRECTOR
MR JAVIER FERNÁNDEZ ALONSO	PROFAND FISHING HOLDING, S.L.	DIRECTOR
MR JAVIER FERNÁNDEZ ALONSO	DEYA CAPITAL IV, SCR, S.A.	DIRECTOR
MR JAVIER FERNÁNDEZ ALONSO	RIOJA, S.A.R.L.	DIRECTOR
MR JAVIER FERNÁNDEZ ALONSO	RIOJA ACQUISITION, S.A.R.L.	DIRECTOR
MR JAVIER FERNÁNDEZ ALONSO	ARTA CAPITAL, SGEIC, S.A. (UNTIL MARCH 2023)	DIRECTOR
MS MARIA CRISTINA HENRÍQUEZ DE LUNA BASAGOITI	MELIA HOTELS INTERNATIONAL, S.A.	DIRECTOR
MS MARIA CRISTINA HENRÍQUEZ DE LUNA BASAGOITI	APPLUS SERVICES, S.A.	DIRECTOR
MS MARIA CRISTINA HENRÍQUEZ DE LUNA BASAGOITI	GLAXO, S.A.	CHAIRMAN-CHIEF EXECUTIVE OFFICER
MS MARIA CRISTINA HENRÍQUEZ DE LUNA BASAGOITI	SMITHKLINE BEECHAM FARMA, S.A.	CHAIRMAN-CHIEF EXECUTIVE OFFICER
MS MARIA CRISTINA HENRÍQUEZ DE LUNA BASAGOITI	DESARROLLO ENERGÍA SOLAR ALTERNATIVA, S.L.	JOINT AND SEVERAL DIRECTOR
MS MARIA CRISTINA HENRÍQUEZ DE LUNA BASAGOITI	FUNDACIÓN DE CIENCIAS DE LA SALUD	VICE-CHAIRMAN
MS MARIA CRISTINA HENRÍQUEZ DE LUNA BASAGOITI	FUNDACIÓN ESPAÑA SALUD	VICE-CHAIRMAN
MS MARIA CRISTINA HENRÍQUEZ DE LUNA BASAGOITI	FARMAINDUSTRIA	VICE-CHAIRMAN
VERÓNICA PASCUAL BOÉ	GENERAL DEL ALQUILER DE MAQUINARIA, S.A. (GAM)	DIRECTOR
VERÓNICA PASCUAL BOÉ	TELEFONICA, S.A	DIRECTOR
VERÓNICA PASCUAL BOÉ	ALBP. CORP, S.L.U.	SOLE ADMINISTRADOR
VERÓNICA PASCUAL BOÉ	ALBP SCR	SOLE ADMINISTRADOR
VERÓNICA PASCUAL BOÉ	ALBP REAL ESTATE	SOLE ADMINISTRADOR
VERÓNICA PASCUAL BOÉ	TELEFONICA AUDIOVISUAL DIGITAL, S.L.U.	DIRECTOR
VERÓNICA PASCUAL BOÉ	ASMV TECHNOLOGIES DISTRIBUTION, S.L.U. (UNTIL 16 FEBRUARY 2023)	SOLE ADMINISTRADOR
VERÓNICA PASCUAL BOÉ	MANCO PARTNERS, S.L.	SOLE ADMINISTRADOR

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

Identification of the director or representative	Company name of the company, listed or not	Position
VERÓNICA PASCUAL BOÉ	ASTI TALENT AND TECHNOLOGY FOUNDATION	CHAIRMAN
VERÓNICA PASCUAL BOÉ	ENDEAVOR FOUNDATION	VICE-CHAIRMAN
VERÓNICA PASCUAL BOÉ	MARSI BIONICS	DIRECTOR
MS MARIA CRISTINA HENRÍQUEZ DE LUNA BASAGOITI	GLAXOSMITHKLINE, S.A.	CHAIRMAN-CHIEF EXECUTIVE OFFICER
MR SANTIAGO DOMEQ BOHÓRQUEZ	RODIN, S.A.	DIRECTOR

Of the above list, the related positions are as follows:

- MR JOSÉ DOMINGO AMPUERO: AUTOPISTA VASCO ARAGONESA S.A.
- MR SANTIAGO DOMEQ BOHÓRQUEZ: ANGUSTIAS Y SOL S.L.
- MR JAIME REAL DE ASÚA Y ARTECHE: ELEC NOR, S.A.
- MR JAIME REAL DE ASÚA Y ARTECHE: ELEC NOR SERVICIOS Y PROYECTOS, S.A.
- MR JAIME REAL DE ASÚA Y ARTECHE: ENERFIN SOCIEDAD DE ENERGÍA, S.L.
- MR JAIME REAL DE ASÚA Y ARTECHE: CANTILES XXI, S.L.
- MR JAIME REAL DE ASÚA Y ARTECHE: TASDEY, S.A. (until May 2023)
- MR JAIME REAL DE ASÚA Y ARTECHE: ONCHENA, S.L. (from March 2023)
- MR ANDRÉS ARIZKORRETA: CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A.
- MS AGATHA ECHEVARRÍA CANALES: PAPELERA GUIPUZCOANA DE ZICUÑAGA, S.A.
- MS AGATHA ECHEVARRÍA CANALES: BANCA MARCH, S.A.
- MS LAURA GONZÁLEZ MOLERO: ACERINOX, S.A.
- MS LAURA GONZÁLEZ MOLERO: BANCO SABADELL, S.A.
- MR JAVIER FERNANDEZ ALONSO: EBRO FOODS, S.A.
- MR JAVIER FERNANDEZ ALONSO: PROFAND FISHING HOLDING, S.L.
- MR CRISTINA HENRIQUEZ DE LUNA BASAGOITI: APPLUS SERVICES, S.A.
- MR CRISTINA HENRIQUEZ DE LUNA BASAGOITI: MELIA HOTELS INTERNATIONAL, S.A.
- VERONICA PASCUAL BOÉ: GENERAL DE ALQUILER DE MAQUINARIA, S.A. (GAM)
- VERONICA PASCUAL BOÉ: TELEFONICA, S.A
- VERONICA PASCUAL BOÉ: TELEFONICA AUDIOVISUAL DIGITAL, S.L.U.

Subsequent to the close of the fiscal year, with effect from 6 February 2024, Mr Jose Domingo de Ampuero y Osma was appointed Chairman of the Board of Directors of Autovía del Camino S.A.

Indicate, where relevant, other remunerated activities of the board members or representatives of the board members, whatever their nature, other than those indicated in the above table.

Identification of the director or representative	Other remunerated activities
MR JOSÉ ANTONIO CANALES GARCÍA	MEMBER OF THE ADVISORY BOARD OF ABE CAPITAL PARTNERS
MR JAVIER FERNÁNDEZ ALONSO	MANAGING DIRECTOR OF CORPORACIÓN FINANCIERA ALBA, S.A.
MS LAURA GONZÁLEZ MOLERO	ISS ESPAÑA - MEMBER OF THE ADVISORY BOARD
VERÓNICA PASCUAL BOÉ	MEMBER OF THE TELEFÓNICA TECH ADVISORY BOARD.
MS MARIA CRISTINA HENRÍQUEZ DE LUNA BASAGOITI	GENERAL DIRECTOR OF GLAXOSMITHKLINE, S.A

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

C.1.12 Indicate and, if applicable, explain whether the Company has established rules regarding the maximum number of boards of directors of which its directors may be members, identifying, if applicable, where this is regulated:

[] Yes
[] No

Explanation of the rules and identification of the document where it is regulated

According to that established in article 23 of the Board of Directors Regulations the directors of the Company may not form part of more than three Board of Directors of listed companies, in addition to that of Viscofan, S.A.

C.1.13 Indicate the amounts of the following items relating to the overall remuneration of the board of directors:

Remuneration accrued during the year in favour of the Board of Directors (thousands of euros)	3,114
Cumulative amount of funds of current directors in long-term savings schemes with consolidated economic rights (thousands of euros)	
Cumulative amount of funds of current directors in long-term savings schemes with unconsolidated economic rights (thousands of euros)	
Cumulative amount of funds of former directors in long-term savings schemes (thousands of euros)	

C.1.14 Identify members of senior management that are not in turn executive directors, and indicate the total remuneration accruing to them during the year:

Name (person or company)	Position(s)
MR ANDRES DÍAZ	MANAGING DIRECTOR EUROPE, MIDDLE EAST AND AFRICA
MR GABRIEL LARREA	MANAGING DIRECTOR NORTH AMERICA
MR JUAN NEGRI	MANAGING DIRECTOR PACIFIC ASIA
MR LUIS BERTOLI	MANAGING DIRECTOR SOUTH AMERICA
MR ÓSCAR PONZ	MANAGING DIRECTOR NEW BUSINESS
MS MARÍA DEL CARMEN PEÑA	CHIEF FINANCIAL OFFICER VISCOFAN GROUP
MR JESÚS CALAVIA	HEAD OF OPERATIONS OF THE VISCOFAN GROUP
MR IGNACIO GOÑI	HEAD OF SALES OF VISCOFAN GROUP
MR JOSÉ ÁNGEL ARRARÁS	MANAGING DIRECTOR R&D AND QUALITY OF THE VISCOFAN GROUP
MR JOSE ANTONIO CORTAJARENA	SECRETARY OF THE BOARD OF DIRECTORS AND LEGAL DIRECTOR VISCOFAN GROUP
MR ARMANDO ARES	HEAD OF INVESTOR RELATIONS AND COMMUNICATIONS OF THE VISCOFAN GROUP
MR CÉSAR ARRAIZA	HEAD OF STRATEGY, ORGANISATION AND SYSTEMS OF THE VISCOFAN GROUP
MS BEATRIZ SESMA	HEAD OF HUMAN RESOURCES OF THE VISCOFAN GROUP
MR JOSÉ IGNACIO RECALDE	HEAD OF DIVERSIFICATION AND TECHNOLOGY OF THE VISCOFAN GROUP

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

Name (person or company)	Position(s)
MR ALEJANDRO BERGAZ	VISCOFAN GROUP INTERNAL AUDIT MANAGER

Number of women in senior management	2
Percentage over total members of senior management	13.33

Total senior management remuneration (thousands of euros)	4,021
---	-------

C.1.15 Indicate whether there has been any change in the Board regulations during the year:

- Yes
 No

C.1.16 Indicate procedures for selection, appointment, re-election and removal of directors. List the competent bodies, the procedures to be followed and the criteria to be employed in each procedure.

This point has been answered in section H - OTHER INFORMATION OF INTEREST as the maximum size allowed by the electronic format of the CNMV has been exceeded.

C.1.17 Explain to what degree the self-assessment has led to significant changes in its internal organisation and the procedures applicable to its activities:

Description of amendments

During 2023, the transition to a non-executive chair model and the appointment of a CEO have been carried out. This change became effective on 1 January 2024. Furthermore, as a consequence of the 2023 annual evaluation of the Board, Committees and Chief Executive Officer, it is expected that, by the time of the 2024 General Shareholders' Meeting, the objective will have been reached of women representing 40% of the Board of Directors and that the number of members of the Appointments, Remuneration and Sustainability Committee and its composition will be reviewed to incorporate members of the less represented gender.

Describe the assessment process and the areas assessed by the board of directors, assisted, where applicable, by an external consultant, regarding the operation and composition of the board and its committees and any other area or aspect that has been subject to assessment.

Description of the assessment process and assessed areas

Pursuant to Article 18 of Board of Director Regulations, each year the Board of Directors will evaluate:

- the quality and efficiency of the Board's operations, based on a report drawn up by the Appointments Committee;
- the diversity of board membership and responsibilities;
- the performance of their duties by the Chairman of the Board and the company's Chief Executive Officer, based on a report drawn up by the Appointments Committee. If the Chair is an executive director, the Lead Director shall conduct the regular assessment of the Chair of the Board of Directors.
- the performance and contribution of individual directors, with particular attention to the Chairpersons of the committees.
- the functioning and composition of the Board's committees, based on a report drawn up by each Committee.

Based on the results of this evaluation, the Board should propose an action plan to correct any shortcomings detected.

The performance evaluation for the 2023 financial year has been carried out internally on the basis of a questionnaire which is updated annually and divided into eight sections:

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

1. Size, structure and composition of the Board.
2. The Board's Mandate
3. Functioning and dynamics of the Board
4. Fulfilment of mandate
5. Assessment of the Executive Chairman
6. Evaluation of the secretary of the Board
7. Operation of committees
 - a) Functioning of the Audit Committee
 - b) Functioning of the Appointments, Remuneration and Sustainability Committee
8. Fulfilment of the 2023 Action Plan

At the end of each section, the advisors can expand on their answers with additional explanations and add any other comments they deem appropriate.

During the year, the evaluation process was led by the Appointments, Remuneration and Sustainability Committee. The evaluation of the Executive Chairman has been led by the Lead Director and the Audit Committee has also conducted its own self-assessment.

The results are anonymised and presented on a consolidated basis and are discussed by the Board of Directors, after which it approves the action plan to correct the areas of improvement detected.

C.1.18 For the years in which the assessment has been assisted by an external consultant, explain the business relationships that the consultant or any company of its group maintains with the company or any company of its group.

Not applicable.

C.1.19 Indicate the circumstances under which Directors are obliged to resign.

In accordance with the provisions of Art. 26 of the Rules and Regulations of the Board, the directors shall adopt the measures required to avoid situations of conflict with the company interest and with their duties towards the company and its group of companies, and they shall be obliged to inform the Board, prior to occurrence or as soon as they are aware of the existence thereof, with the obligation to immediately resign should the said conflict persist or should their presence on the board be contrary to the company's interests.

Furthermore, according to article 30 of the Board of Director Regulations, Directors serve at the pleasure of the Board of Directors and if the Board considers it appropriate, they will tender their resignation under the following circumstances:

- a) When they become subject to any of the disqualifications or prohibitions set down in law.
- b) When their remaining on the Board could undermine the Company's interests or when the reasons for which they were elected no longer apply.
- c) Nominee directors representing a controlling shareholder will tender their resignations when the shareholder they represent sells a substantial part of its stake.

C.1.20 Are reinforced qualified majorities required, other than the legal majorities, for some type of resolution?

- Yes
 No

If applicable, describe the differences.

C.1.21 Explain whether there are specific requirements, other than those regarding directors, to be appointed Chairman of the Board of Directors.

- Yes
 No

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

C.1.22 Indicate whether the bylaws or the Board Regulations establish an age limit for directors:

- Yes
 No

C.1.23 Indicate whether the bylaws or the Board Regulations establish a limited term of office or other stricter requirements in addition to those legally provided for independent directors, other than that established by law:

- Yes
 No

C.1.24 Indicate whether the bylaws or the Board of Directors Regulations establish specific rules for proxy voting in the Board of Directors in favour of other directors, the way this is done and, in particular, the maximum number of proxies a director may have, and whether it has established any limit regarding the categories that may be delegated beyond the limits stipulated by legislation. If so, briefly give details on such standards.

The Rules and Regulations of the Board of Directors on its Article 7 – Functioning of the Board, establishes the following:

"The Directors must personally attend the sessions that are held, either in person or remotely in accordance with the provisions laid out in the Law and in these Regulations. Notwithstanding the foregoing, the directors may grant a proxy to another director. Non-executive directors may only grant a proxy to another non-executive director.

The Board of Directors shall be quorate when its meetings are attended in person or by proxy by the majority of its members."

Furthermore, article 14 of the Regulations establishes the following with regard to Board Committees:

"Directors must attend the meetings in person, either in person or online. However, the directors may grant a proxy to another director. Non-executive directors may only grant a proxy to another non-executive director."

C.1.25 Indicate the number of meetings the Board of Directors has held during the year. Where applicable, indicate how many times the Board has met without the Chairman in attendance. In calculating this number, proxies given with specific instructions will be counted as attendance.

Number of Board Meetings	11
Number of Board Meetings not attended by the Chairman	0

Indicate the number of meetings held by the coordinating director with the other directors that have not been attended or without representation by any executive directors:

Number Meetings	3
-----------------	---

Indicate the number of meetings of the Board's different committees have held during the year:

Number of meetings of the APPOINTMENTS, REMUNERATION AND SUSTAINABILITY COMMITTEE	9
---	---

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

Number of Audit Committee Meetings	12
------------------------------------	----

C.1.26 Indicate the number of meetings held by the Board of Directors during the year and provide information about member attendance:

Number of meetings attended by at least 80% of the directors in person	11
% of meetings attended in person of the total votes during the year	98,34
Number of meetings attended by all the directors in person, or by proxy with specific instructions	11
% of votes issued, attended by all the directors in person and proxies with specific instructions, out of all votes during the year	100,00

C.1.27 Indicate whether the individual and consolidated financial statements presented for Board authorisation for issue are certified beforehand:

Yes
 No

Where applicable, identify the person(s) who has (have) certified the Company's individual and consolidated financial statements to be filed by the Board:

Name	Position
MR JOSÉ DOMINGO DE AMPUERO Y OSMA	CHAIRMAN
MR JOSÉ ANTONIO CANALES GARCÍA	GENERAL MANAGING DIRECTOR *
MS MARÍA DEL CARMEN PEÑA	CHIEF FINANCIAL OFFICER VISCOFAN GROUP

* From 1 January 2024, Chief Executive Officer.

C.1.28 Explain the mechanisms, if any, established by the Board of Directors to ensure that the final accounts that the Board of Directors present to the general shareholders' meeting are drawn up in accordance with accounting regulations.

In order to ensure that the annual accounts submitted to the general meeting of shareholders are drawn up in accordance with accounting regulations, the Board of Directors has entrusted this function to the Audit Committee as stipulated in article 15 of the Board Regulations:

"C) In relation to information systems and internal control:

Supervise and assess the process of preparation and presentation of the mandatory financial and non-financial information relating to the Company and the Group, reviewing the correct design of the ICFR, compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation, considering, among other aspects, the possible existence of complex corporate structures, the correct application of accounting regulations, and submitting recommendations or proposals to the Board of Directors aimed at safeguarding its integrity"

"D) In relation to the external auditor:

(b) Ensure that the financial statements finally prepared by the Board are presented to the General Shareholders' Meeting without limitations or qualifications in the auditor's report and in the event that the auditor has included any qualifications in its audit report, issue its opinion on the content and scope of such audits or qualifications, which will be explained by the Chairman of the Committee during the General Shareholders' Meeting.

(d) Monitoring the decisions of the senior management team regarding any adjustments recommended by the external auditor, and to hear and, where applicable, mediate any disagreements between both parties.

(e) (iv) It shall ensure that the external auditor has a yearly meeting with the Board of Directors in a plenary session, to inform it of the work undertaken and developments in the Company's risk and accounting positions"

In addition, Article 6 of the Regulations of the Audit Committee, Functions relating to auditing, states the following:

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

"g) Supervise the content of the audit reports before issuance and, where appropriate, of the limited review reports of intermediate accounts ensuring that said content and the opinion on the annual accounts are drafted clearly, precisely and without limitations or exceptions by the auditor, explaining them to the shareholders (if any). In this regard, together with the auditor, the Committee must oversee the significant findings derived from its work and, where appropriate, propose to the Board of Directors the measures it deems appropriate to address the shortfalls found by the auditor."

For practical purposes, the Audit Committee will ensure compliance with the necessary mechanisms established to perform continuous control over the preparation of financial information at every level, from its start to its consolidation in the Viscofan Group companies.

Both the corporate financial department and the internal audit department have collaborated closely with the Audit Committee to establish, put in place and monitor the most appropriate controls for guaranteeing the truthfulness of the financial information to ensure that it gives a true and fair view of the Group's financial situation.

The internal audit department has also included the continuous review of said controls in its annual plan for various subsidiaries, where said review will apply to the financial departments and areas that also take part in preparing the information: operations, human resources, purchasing and commercial, etc.

Likewise, the Audit Committee, the internal audit management and corporate finance management hold informative and follow-up meetings with the external auditors throughout the year, both to inform them of the characteristics of the internal control system and its implementation in all the companies of the Group, as well as to involve them in its compliance and to maintain two-way communication that allows for better monitoring of the improvements implemented. All with the aim of continuing to guarantee the operation of the Group's financial information with greater control at all levels.

Furthermore, the company has maintained a policy of pre-closing the year on 31 October in order to anticipate and correct any incidents that may have arisen during the year.

C.1.29 Is the company Secretary a director?

Yes
 No

Complete if the Secretary is not also a Director:

Name or corporate name of Secretary	Representative
MR JOSE ANTONIO CORTAJARENA	

C.1.30 Indicate the specific mechanisms established by the company to preserve the independence of the external auditors, as well as, if any, mechanisms to preserve the independence of financial analysts, investment banks and rating agencies, including how the legal provisions have been implemented in practice.

- INDEPENDENCE OF THE EXTERNAL AUDITORS

Article 15 of the Board of Directors Regulations, confers upon the Audit Committee the following duties relating to the external auditor:

D) In relation to the external auditor:

(e) Safeguarding the independence of the auditor, paying particular attention to any circumstances or issues that could jeopardise such independence, including that their remuneration does not compromise their quality or independence, and any others relating to the process of auditing the accounts:

(i) For this purpose, it shall be ensured that the Company publicly discloses to the National Securities Market Commission (CNMV), as a relevant event, any replacement of the auditor and includes a statement regarding any possible disagreement with the outgoing auditor and the details thereof. If the auditor resigns, then it shall explore the underlying causes.

(ii) The Audit Committee shall likewise ensure that the company and the auditor adhere to current regulations safeguarding the independence of the auditors, and those governing the provision of non-audit services and the limits on the concentration of the auditor's business.

(iii) It shall establish a suitable relationship with the auditor to receive information on matters that may jeopardise the auditor's independence, so that it may be examined by the Committee, and any other matters related to the process of performing the audit, and, where necessary, authorise services that are not forbidden by the provisions of the current regulations.

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

v) Annually receiving from the auditors their statement of independence in relation to the related party or parties, in addition to a statement concerning additional services provided and the fees received by the external auditor or by the persons and entities related thereto, in accordance with the audit provisions set out in the regulations.

(vi) It shall annually issue, prior to the report on the auditing of the accounts, a report expressing its opinion on the independence of the auditor, containing the valuation of any additional services provided, considered on an individual basis and as a whole, in relation to the status of independence or to the rules governing the audit.

- INDEPENDENCE OF FINANCIAL ANALYSTS, INVESTMENT BANKS AND RATING AGENCIES

Article 5 of the Regulations of the Board of Directors includes the following powers among those reserved exclusively for the Board of Directors sitting in full session, in addition to those reserved for the Board by law:

g) Determining the policy on information to shareholders, markets and public opinion.

With regard to analysts and investment banks, the mechanisms envisaged under Article 37 of the Regulations of the Board of Directors - Shareholder and Securities Markets Communications, coupled with the company's commitment to monitoring applicable law, ensure that independence is upheld and that the information is made available to everyone at the same time and under the same conditions, thus ensuring equal access to such information.

Likewise, the policy on communication with shareholders, institutional investors, proxy advisors and economic-financial, non-financial and corporate information establishes that the Board of Directors of Viscofan is competent to manage and supervise the information provided to shareholders and the markets and relations with shareholders, institutional investors and proxy advisors, as well as the communication of economic-financial, non-financial and corporate information through the channels it deems appropriate in such a way as to contribute to maximising the dissemination and quality of the information available to the market, investors and other stakeholders, adopting the appropriate measures to protect the exercise of their rights within the framework of the defence of the corporate interest.

C.1.31 Indicate whether the company has changed its external auditor during the year. If so, identify the incoming and outgoing auditors:

Yes
 No

If there has been any disagreement with the outgoing auditor, describe the content thereof:

Yes
 No

C.1.32 Indicate whether the audit firm does other work for the company and/or its group other than the audit. If so, declare the amount of fees received for such work and the percentage that the previous amount represents over the total fees charged for auditing work to the company and/or its group:

Yes
 No

	Company	Group companies	Total
Amount of non-audit work (thousands euros)	4	49	53
Amount of non-audit work / Amount of audit work (in %)	3,10	6,60	6,10

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

C.1.33 Indicate whether the audit report on the annual financial statements for the previous year contained any qualifications. If so, indicate the reasons given to the shareholders at the General Shareholders' Meeting by the chairman of the audit committee to explain the content and scope of these qualifications.

Yes
 No

C.1.34 Indicate the number of consecutive years during which the current audit firm has been auditing the individual and/or consolidated financial statements for the company. Indicate the percentage of the number of years audited by the current audit firm to the total number of years in which the annual financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	7	7
	Individual	Consolidated
Number of years audited by current audit firm / number of years the company or its group have been audited (%)	21,21	23,33

C.1.35 Indicate and, where applicable, give details on the existence of a procedure for directors to obtain the information they need to prepare the meetings of the governing bodies with sufficient time:

Yes
 No

Description of procedure

This aspect is regulated by Article 19 of the Board of Directors Regulations. Right to Information

The Board members will receive the information required to carry out their work in due time and detail with respect to the matters in question. They may obtain additional information should they see fit; such information shall be channelled through the Secretary of the Board of Directors, unless there are urgent reasons for calling a meeting or under exceptional circumstances.

The call to meeting shall indicate the items on the agenda upon which the directors must arrive at a decision or resolution or, in urgent cases, the prior consent of the majority of those present shall be required.

The directors may gather additional information when considered advisable. The request shall

be channelled through the Secretary of the Board."

C.1.36 Indicate, and where appropriate detail, if the company has established rules that oblige directors to report and, if applicable, to resign where situations arise that may affect them, whether or not they are related to their actions in the company itself and that may harm the credit or reputation of the company:

Yes
 No

If so, describe such rules:

It has been reported in point C.1.19 above

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

C.1.37 Indicate, unless special circumstances apply that have been entered into the minutes, whether the Board has been informed or in any way discovered circumstances affecting a director, whether or not they are related to their actions in the company itself and that may harm the credit or reputation of the company:

Yes
 No

C.1.38 Detail significant agreements reached by the Company that come into force, are amended or concluded in the event of a change in the control of the company stemming from a public takeover bid, and its effects.

No significant agreements have been made with these characteristics.

C.1.39 Identify individually with regard to directors and in aggregate terms in the remaining cases, and indicate in detail any agreements between the company and its directors, managers or employees that have guarantee or ring-fencing severance clauses for when such persons resign or are wrongfully dismissed or if the contractual relationship comes to an end due to a public takeover bid or other kinds of transactions.

Number of beneficiaries	2
Beneficiary type	Description of the agreement
MR JOSÉ DOMINGO DE AMPUERO Y OSMA - CHAIRMAN. MR JOSÉ ANTONIO CANALES GARCÍA - MANAGING DIRECTOR	MR JOSÉ DOMINGO DE AMPUERO Y OSMA: Indemnity of two years' fixed salary for cases provided for in the remuneration policy, with two years of non-competition MR JOSE ANTONIO CANALES GARCÍA: Indemnity of two years' fixed salary for cases provided for in the remuneration policy, with two years of non-competition.

Indicate whether, apart from the events provided for by the regulations, these contracts should be disclosed to and/or approved by the company or group governance bodies: If so, specify the procedures, foreseen assumptions and the nature of the bodies responsible for their approval or communication:

	Board of directors	General shareholders' meeting
Body that authorises the provisions	√	√
	Yes	No
Is the General Meeting informed of the clauses?	√	

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

C.2. Board of Directors Committees

C.2.1 Detail all the Board Committees, their members and the proportion of executive, nominee, independent and other external directors sitting on them:

APPOINTMENTS, REMUNERATION AND SUSTAINABILITY COMMITTEE		
Name	Position	Category
MR JAIME REAL DE ASÚA Y ARTECHE	CHAIRMAN	Independent
MR JOSÉ MARÍA ALDECOA SAGASTASOLOA	DIRECTOR	Independent
MR SANTIAGO DOMEQ BOHÓRQUEZ	DIRECTOR	Nominee
MR ANDRÉS ARIZKORRETA GARCÍA	DIRECTOR	Independent

% Executive Directors	0,00
% Nominee Directors	25,00
% Independent Directors	75,00
% of other external directors	0,00

Explain the committee's duties including, if applicable, those in addition to the duties provided by law, and describe the procedure and organisational and operational rules and summarise the main actions taken during the year. Indicate the most important actions taken during the financial year for each of the duties, and how these duties (attributed by law, the bylaws or other corporate resolutions) were put into practice.

This point has been answered in section H - OTHER INFORMATION OF INTEREST as the maximum size allowed by the electronic format of the CNMV has been exceeded.

AUDIT COMMITTEE		
Name	Position	Category
MS LAURA GONZÁLEZ MOLERO	CHAIRMAN	Independent
MS AGATHA ECHEVARRÍA CANALES	DIRECTOR	Other External
MR JAVIER FERNÁNDEZ ALONSO	DIRECTOR	Nominee
MS MARIA CRISTINA HENRÍQUEZ DE LUNA BASAGOITI	DIRECTOR	Independent
MR ANDRÉS ARIZKORRETA GARCÍA	DIRECTOR	Independent

% Executive Directors	0,00
% Proprietary Directors	20,00
% Independent Directors	60,00
% of other external directors	20,00

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

Explain the committee's duties including, if applicable, those in addition to the duties provided by law, and describe the procedure and organisational and operational rules and summarise the main actions taken during the year. Indicate the most important actions taken during the financial year for each of the duties, and how these duties (attributed by law, the bylaws or other corporate resolutions) were put into practice.

This point has been answered in section H - OTHER INFORMATION OF INTEREST as the maximum size allowed by the electronic format of the CNMV has been exceeded.

Identify the Directors who has been appointed on the basis of knowledge and experience of accounting or auditing, or both and state the date on which they were appointed as Chairman.

Names of directors with experience	MS LAURA GONZÁLEZ MOLERO/MS AGATHA ECHEVARRÍA CANALES/MR JAVIER FERNÁNDEZ ALONSO/MS MARIA CRISTINA HENRÍQUEZ DE LUNA BASAGOITI/MR ANDRÉS ARIZKORRETA GARCÍA
Date that the chairman was appointed to post	24/04/2020

C.2.2 Fill in the following table with information on the number of female directors sitting on Board Committees at the end of the last four years:

	Number of female directors							
	FY 2023		FY 2022		FY 2021		FY 2020	
	Number	%	Number	%	Number	%	Number	%
APPOINTMENTS, REMUNERATION AND SUSTAINABILITY COMMITTEE	0	0,00	0	0,00	0	0,00	0	0,00
AUDIT COMMITTEE	3	60,00	4	80,00	3	50,00	3	50,00

C.2.3 Indicate, where applicable, the existence of regulations for the Board Committees, where they can be consulted and any amendments made to them during the year. Indicate whether an annual report on the activities of each committee has been drawn up voluntarily.

The Audit Committee and the Appointments, Remuneration and Sustainability Committee are regulated under article 33 of the Company By-Laws, registered in the Commercial Register and published on the company's website (www.viscofan.com).

The Audit Committee is governed by Article 15 of the Board of Directors Regulations and the Appointments, Remuneration and Sustainability Committee by Articles 16 and 17 of the same regulation, as posted on the company's website, duly filed with the Spanish CNMV and registered in the Commercial Register.

The Audit Committee and the Appointments, Remuneration and Sustainability Committee are governed by their own regulations that are published on the corporate website, in the Corporate Governance section under Regulations and Policies.

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

Both Committees, within the framework of the annual process for assessing their performance, prepared and presented a report to the Board of Directors detailing the activity undertaken by each committee during the 2023 financial year in compliance with their duties, and which is explained in greater detail in the above section C.2.1. A summary of the annual activity report for both Committees was presented to the General Shareholders' Meeting by their respective Chairpersons.

The Audit Committee also drafted an annual report on auditor independence and a report on related transactions, both of which were made available to the shareholders.

During the year there have been no changes to the regulation of the Board of Directors' Committees.

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

D. RELATED-PARTY TRANSACTIONS AND INTRA-GROUP TRANSACTIONS

- D.1. Explain, if applicable, the procedure and competent bodies for the approval of related-party and intragroup transactions, indicating the criteria and general internal rules of the entity that regulate the abstention obligations of the directors or shareholders affected and detailing the internal reporting and periodic control procedures established by the company in relation to those related-party transactions whose approval has been delegated by the board of directors.

Approval corresponds to the Board of Directors as one of the matters reserved exclusively for the Board by virtue of Article 5 of the Board Regulations:

"f) The approval of the related transactions under the terms provided for by law, except when their approval falls within the remit of the General Shareholders' Meeting.

The Board shall approve related-party transactions following a favourable report from the Audit Committee, and without prejudice to the cases for delegation provided for by law. The directors who are directly or indirectly affected, due to the performing the operation with a person related to them, must abstain from participating in the deliberation and voting of the agreement in question."

In parallel, the Audit Committee Regulations establish the following in article 11):

The Committee will also have the following functions:

"In relation to related transactions, ensure that rigorous and transparent processes are established to ensure that the transactions comply with the corporate interest, strictly complying with the applicable legality and the corporate governance regulations of the Company. To this end, it will inform the General Shareholders' Meeting or the Board of Directors prior to the latter adopting any of the corresponding resolutions and will supervise the internal procedure established by the Company for those whose approval has already been delegated."

Likewise, Article 22 of the Regulations of the General Meeting of Shareholders stipulates the following in Article 22. Point C. Conflict of interest:

"The shareholder may not exercise the voting right that pertains to their shares when the matter being addressed aims to: d) the approval of related transactions, when envisaged legally".

- D.2. Individually detail any transactions that are considered significant due to their amount or nature performed between the company or its subsidiaries and shareholders holding more than 10% more of the voting rights or represented on the board of directors of the company, indicating the competent body for their approval and whether any affected shareholder or director abstained. In the case that the competent body was the General Meeting, indicate whether the proposed resolution was approved by the Board without the vote against by the majority of the independent directors:

	Name or company name of the shareholder or of any of its subsidiaries	% Stake	Name or company name of the company or subsidiary	Amount (in thousands of Euros)	Approving body	Identification of the significant shareholder or director that abstained	The proposal before the General Meeting, where appropriate, was approved by the board without a vote against by the majority of the independent directors
N/D							

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

	Name or company name of the shareholder or of any of its subsidiaries	Nature of relationship	Type of operation and other information necessary for its evaluation
	N/D		

Pursuant to article 231 of the Corporate Enterprises Act, none of the companies forming part of the Viscofan Group have performed transactions with related parties. In addition, during 2023 the Group has contracted a credit line for 10 million euros for working capital and has closed gas hedges with Banca March S.A., a financial institution linked to Corporación Financiera Alba, S.A., which holds 14.25% of the Company's shares at 31 December 2023 (14.25% at 31 December 2022). No additional services have been received by companies related to this shareholder in 2023 or 2022. All transactions are carried out at arm's length and under normal market conditions.

D.3. Individually detail any transactions that are considered significant due to their amount or nature performed by the company or its subsidiaries with the directors or senior managers of the company, including those transactions carried out with entities that the director or senior manager controls or jointly controls, and also indicating the competent body for their approval and whether any affected shareholder or director abstained. In the case that the competent body was the General Meeting, indicate whether the proposed resolution was approved by the Board without the vote against by the majority of the independent directors:

	Name or corporate name of directors or senior managers or there entities controlled or under joint control	Name or company name of the company or subsidiary	Relationship	Amount (in thousands of Euros)	Approving body	Identification of the significant shareholder or director that abstained	The proposal before the General Meeting, where appropriate, was approved by the board without a vote against by the majority of the independent directors
	N/D						

	Name or corporate name of directors or senior managers or there entities controlled or under joint control	Nature of the transaction and other information necessary for its evaluation
	N/D	

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

- D.4. Individual report on the significant intragroup transactions that are considered significant due to their amount or nature carried out by the company with its parent company or other entities belonging to the parent's group, including subsidiaries of the listed company, except when no other related party of the listed company has interests in these subsidiaries or these are wholly owned, either directly or indirectly by the listed company.

In any event, provide information on any intragroup transaction with companies established in countries or territories considered tax havens:

Corporate name of the group company	Brief description of the transaction and other information necessary for its evaluation	Amount (in thousands of Euros)
N/D		

- D.5. Individually detail the transactions that are considered significant due to their amount or nature performed by the company or its subsidiaries with other related parties which are done so in accordance with the International Accounting Standards adopted by the EU, which have not been reported in previous headings.

Corporate name of the related party	Brief description of the transaction and other information necessary for its evaluation	Amount (in thousands of Euros)
N/D		

- D.6. Detail the mechanisms established to detect, determine and resolve any possible conflicts of interest between the company and/or its group, and its directors, managers and/or significant shareholders or other related parties.

This point has been answered in section H - OTHER INFORMATION OF INTEREST as the maximum size allowed by the electronic format of the CNMV has been exceeded.

- D.7. Indicate whether the company is controlled by another entity in accordance with Article 42 of the Commercial Code, listed or not, and whether it has a direct business relationship with this company or any of its subsidiaries (other than the listed company) or undertakes any activity relating to any of them.

Yes
 No

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

E. RISK CONTROL SYSTEMS

E.1. Explain the scope of the company's financial and non-financial Risk Control and Management System, including those of a tax-related nature.

The Viscofan Group risk management system is governed by the Risk Control and Management Policy, whose purpose is to establish the basic principles and general action framework to identify, measure, prevent and mitigate risks of all types that may affect the creation of value that is sustainable and shared but its stakeholders.

This policy establishes that the Viscofan Group's integral risk control and management system will be applied to all its companies, it will be mandatory for all administrators, directors and employees and will be followed in accordance with the basic principles of integration into management, adaptation to changes, transparency, ongoing improvement and the application of best international practices for good governance. It should include at least the following activities:

- a. Identifying the main risks taking into account their impact on the creation of sustainable and shared value for the Viscofan Group's stakeholders within the Strategic Plan in force at any given time and assessing their probability of occurrence and impact in order to prioritise them accordingly.
- b. Determining risk appetite by establishing tolerances and suitably monitoring their development with key risk indicators.
- c. Implementing a control system integrated into the internal rules and regulations of the Viscofan Group, including the identification and assessment of the controls and contingency plans necessary to mitigate the impact in case the risks materialise.
- d. Assessing the effectiveness of the control system and its application, as well as its compliance by all Viscofan Group employees.
- e. Establishing action plans in the event that the occurrence of one of the main risks negatively affects the creation of long-term sustainable value, taking residual risk to an acceptable risk level. As a direct consequence of this reduction in the level of risk, it will be necessary and appropriate to reassess and prioritise these risks, forming a continuous process of risk management.
- f. Auditing of the system by the Internal Audit Division.

Within the framework of the integral risk control and management system, the Viscofan Group has drawn up risk maps which represent the key risks, based on their impact and probability. This will serve as a management tool which enables informed decision making, defined in Risk Records which identify the key risk indicators together with their corresponding tolerances, the associated controls and management measures and, where appropriate, the action plans to be implemented. These records enable the Company to assess and monitor its risks and determine the most appropriate response to them, and they are periodically reviewed and updated.

The Global Risk Committee met four times in 2023 to update the risk map, monitor the main risks through monographs and monitor key risk indicators.

The organisation's risk map was defined in accordance with the code of conduct, internal regulations and the current Strategic Plan, which includes different types of risks (market, business, operational, credit, social, environmental, climate change, technological, legal and regulatory), and is presented adopting the COSO methodology, grouping the existing risks in four categories in accordance with type of objective they affect: strategic, operational, information and compliance.

E.2. Identify the corporate bodies responsible for drawing up and enforcing the financial and non-financial Risk Control and Management System, including tax-related risks.

BOARD OF DIRECTORS

In accordance with Art. 5 of the Company Board of Directors Regulations, relating to "Exclusive Powers", the financial and non-financial risk control and management policy, including tax risks, and the regular monitoring of internal information and control systems constitute one of the issues that may only be heard and addressed by the Board of Directors in full session.

AUDIT COMMITTEE

A specific duty of the Audit Committee is to oversee the suitability of the control procedures and policies implemented and to review the internal control systems and financial and non-financial risk management, in order to ensure that the main risks are identified, managed and effectively disseminated. The Audit Committee will establish monitoring mechanisms, including appearances by executives in relation to risk management and periodic reporting to the Board on the situation and implementation of the integral risk control and management system.

INTERNAL AUDIT

Their purpose is to promote the application of Risk Management in all activities and supervise to ensure that significant risks are suitably identified, assessed, managed and controlled. They have a broad presence on specific risk Committees.

ETHICS AND REGULATORY COMPLIANCE COMMITTEE

It is the body responsible for supervising the risks specific to the Group with regard to criminal liability or any other non-compliance, and for assessing, implementing and monitoring the Compliance System. It is responsible for periodically reporting on the implementation and monitoring of the Group's compliance system to the Audit Committee, as well as proposing its revision and/or updating. In particular, with regard to the Ethics Channel/Integrity Line, it is the body responsible for opening, on its own account or at the request of a third party, the investigation of any situation that may involve a breach of rules and regulations in the Viscofan Group.

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

GLOBAL RISK COMMITTEE

The purpose of the Global Risk Committee is to identify and assess the main risks threatening the Viscofan Group, going into depth in the exposure of the organisation thereto to prepare the recommendations and actions required to manage the risks within the established margins.

CREDIT RISK COMMITTEE

It is established as a supervisory and control body for those risks related to customer payment management. The objective of this Committee is to delve into the prevention, monitoring and solution of the risk, via the creation and implementation of the instruments considered most appropriate at the time.

INVESTMENTS COMMITTEE

Its main purpose is to control and supervise compliance with the Investment Plan approved by the Board of Directors. To achieve this, it meets on a quarterly basis for the purposes of performing periodic follow-up checks on the correct application of approved investments and controlling the efficient use of Group resources and investments.

CYBERSECURITY COMMITTEE

It is in charge of defining the strategic objectives of the Group's Cybersecurity, ensuring the secure management of information and assuring the state of protection, as well as periodically monitoring compliance with regulations, risk projects and situations and incidents.

SUSTAINABILITY COMMITTEE

This is the body responsible for coordinating and supervising the Sustainability Action Plan, the initiatives, work plans and long-term objectives for the same. The committee reports to the Appointments, Remuneration and Sustainability Committee, the Board of Directors' internal body responsible for the supervision, development and improvement of the Company's sustainability policies. In particular, the Sustainability Committee has carried out the identification and assessment of climate change risks and opportunities in accordance with the Task Force on Climate related Financial Disclosure (TCFD).

SENIOR MANAGEMENT

It is responsible for identifying and assessing the risks faced by the Group in the course of its activity and taking appropriate measures to prevent these risks from occurring or, if they do occur, to reduce or eliminate their impact. Therefore, it plays a fundamental role in designing and implementing control mechanisms and ensuring their fulfilment across the organisation.

E.3. Indicate the main financial and non-financial risks, including tax risks, and to the extent that those derived from corruption (the latter being within the scope of Royal Decree Law 18/2017) that could affect the attainment of business objectives, are significant.

The management and control activities enable the risks to be anticipated and detected and the threats to be examined and measured that may prevent the Viscofan Group from attaining its objectives, as well as the creation of value that is sustainable and shared with the stakeholders. During the 2023 financial year, the comprehensive risk management and control system assessed these risks and identified those that were most critical (by expected impact and probability of occurring), as well as considering new risks and evaluating their development.

The main sources of risks that may affect the Viscofan Group's activities in the coming financial years are the following:

- The competitive environment within the sector, both with regard to competitors and the appearance of substitute products.
- Cybersecurity due to exposure as a result of leadership in the sector and greater mobility and connectivity.
- Rising energy prices, and the shortage of natural gas in Europe
- Environmental risks and those resulting from climate change. In particular, the increase in the price of CO2 emission allowances.
- The lack of raw materials and the general increase in prices.
- Risk of loss of own know-how, associated with technology, innovation and experience accumulated over the years.
- Work-related accidents that could affect people's physical integrity.
- Risk that technologies and technical infrastructures associated with production processes could be disrupted.
- Variations in the rate of exchange, especially the appreciation of the Euro against the USD.
- The fiscal environment, that affects commercial and financial transactions and is subject to tax regulations and norms in different countries.
- Meeting expectations with regard to the group's stakeholders and Viscofan's reputation.
- Risk of loss of human capital, so attracting and developing talent to avoid their departure is essential.
- Material damages resulting from impairment or a sudden loss of value due to extraordinary circumstances.
- Internationalization in both purchases and sales involves risks derived from the economic and/or political situation of the countries.
- The pandemic and its repercussions on the value chain and the business environment.
- The integrity of financial and non-financial information.
- Customer satisfaction linked to product quality, customer service and services provided.

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

All these risks are included in the Viscofan Group's risk control and management system, and this includes the methodology required for the identification and ongoing inclusion of new risks.

E.4. Identify if the company has risk tolerance levels, including tax risk.

The Viscofan Group's risk control and management system includes establishing the levels of tolerance to the risk, including tax risks, both at an individual and a joint level for each risk. Their management falls within the framework of the risk control and management policy, the specific policies approved by the Board of Directors and the resulting risk management procedures. It includes the Fiscal Policy that enables the Board of Directors to establish fiscal strategy with a view to guaranteeing the application of action principles that will enable fiscal risk to be minimised.

In the 2023 financial year, low tolerance levels for risk continued to be established resulting in proactive management of the main risk indicators.

Risks are prioritised in terms of their impact and probability based on quantitative and qualitative criteria, and this makes it possible to create a risk map for the Viscofan Group based on the establishment of risk appetite. Furthermore, the main risk indicators are identified for each risk and these are instruments for establishing tolerance to risk by setting threshold or reference values.

The Viscofan Group has also monitored during the financial year the values of the risk indicators and the defined thresholds, so where these thresholds were exceeded the required management measures were taken to redirect the risks to the defined tolerance level. This management applies to the materialised risks and the response plans described in sections E.5 and E.6 below.

E.5. State what financial and non-financial risks, including tax-related risks, have occurred during the financial year.

This point has been answered in section H - OTHER INFORMATION OF INTEREST as the maximum size allowed by the electronic format of the CNMV has been exceeded

E.6. Explain the response and supervision plans for the main risks of the company, including tax risks, and the procedures followed by the company to ensure that the board of directors responds to the new challenges that arise.

The different committees have met monthly and quarterly and their results have been supervised by the Audit Committee, which at its meetings is informed by the Internal Audit Department and at least quarterly reviews the reports of the Global Risk Committee and informs the Board of directors.

Viscofan Group's integral risk control and management system described in sections E.1 (scope) and E.2 (responsible bodies) was applied in response to and to supervise the main risks that materialised in the 2023 financial year. These risks and the plan to respond to and supervise them is detailed in section E.5 above.

With regard to the remaining risks, the main plans and actions taken during the 2023 financial year were as follows:

- Projects to improve the levels of service, quality and productivity have continued to be promoted in order to better protect market share and the pricing strategy has been adapted to the market situation and the development of production costs.
- The sustainability strategy and action plan, together with the related policies approved by the Board of Directors, have been monitored and a committee for sustainability risk management has been set up.
- The required insurance policies were taken out in all the Viscofan Group's areas of risk (personal, assets, third-party and environmental liability).
- The development of a Master Plan for Information Systems and the implementation and planning of actions in matters of cybersecurity.
- Innovation and diversification as a source of competitive advantage and growth.
- The development of people and cohesion plans to maintain and promote the Viscofan Group's culture and values adapted to the specific circumstances prevalent in each of the countries in which it operates.
- In order to prevent the risk of accidents, specific awareness campaigns are being carried out, safety training is being promoted and investments are being made

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

F. SYSTEMS OF INTERNAL RISK MANAGEMENT AND INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)

Describe the mechanisms comprising the risk management and control systems for financial reporting (ICFR) in the entity.

F.1. The entity's control environment.

Give information, describing the key features of at least:

F.1.1 Which bodies and/or functions are responsible for: (i) the existence and maintenance of an adequate and effective ICFR; (ii) its implementation; and (iii) its supervision.

The Board of Directors of the Viscofan Group has the exclusive power to review the risk control and management policy, as well as the periodic monitoring of the internal information and control systems. The Corporate Finance area is responsible for the implementation and supervision of the ICFR. In addition, all other Group Departments are to cooperate in the dissemination of the ICFR within their area of responsibility. As such, each Department shall be responsible for applying the controls corresponding to their area and for coordinating with the other departments in applying the ICFR.

In accordance with Article 15.C. of the Regulations of the Board of Directors, the Audit Committee's duties include supervising the effectiveness of the company's internal control, internal audit and risk management systems. This point mentions that the Committee's powers include supervising the process of preparing and presenting the mandatory financial information on the Company and the Group.

F.1.2 Whether, especially in the process of drawing up the financial information, the following elements exist:

- Departments and/or mechanisms responsible for: (i) the design and review of the organisational structure; (ii) the clear definition of lines of responsibility and authority, with an adequate distribution of tasks and functions; and (iii) ensuring that sufficient procedures exist for their correct dissemination within the entity.

In the first instance, the Board of Directors, as established in its own Regulations, is responsible for approving the definition of the corporate structure. In addition, at the proposal of the chief executive, the Board decides on the appointment and removal of senior executives. The General Management and the Corporate Human Resources Division are responsible for the design and review of the organisational structure and for the definition of the lines of responsibility and authority, and the appropriate distribution of tasks and roles.

The Corporate Human Resources Division has procedures for updating corporate-level organisational structures and those of each of the Group subsidiaries. Dissemination is made via the corporate Human Resources Management platform and the corporate intranet, with the current organisation charts of each company and any major changes being managed and published on the latter.

The Corporate Finance Division has organisational structure charts with the composition of the financial departments of each subsidiary company, as well as information about the tasks performed by different members of these departments. Each team has a person responsible for the ICFR at local level, responsible for disseminating it to the rest of the departments involved, checking that each one of them carries out the checks allocated and regularly reporting on the operation of the system.

- Code of conduct, approval body, degree of dissemination and instruction, principles and values included (indicating whether specific mention is made of recording the transactions and drawing up of the financial information), body in charge of analysing non-compliance and proposing corrective measures and sanctions.

The body responsible for approving the Code of Conduct is the Board of Directors, subject to a report by the Audit Committee and that the recommendation of the Ethics and Regulatory Compliance Committee. The code affects the Boards of Directors, Senior Management and the rest of the Group's employees in their daily professional performance, regarding the relations and interactions they have with all their stakeholders.

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

The Code of Conduct in force in the Viscofan Group was approved by the Board of Directors in January 2022. This Code has been communicated and made available on the website, www.viscofan.com in the Corporate Governance, Regulations and Policies section.

At the recommendation of the Ethics and Regulatory Compliance Committee and subject to a report by the Audit Committee, the Board of Directors approves the Group's Compliance Plan, which contains action plans in different areas: improved internal regulations, annual update of the procedural compliance risk map, training plans, internal control improvement plans. In relation to the training plans, the company works on a cross-cutting basis with the Department of Human Resources which, aside from guaranteeing the publication of the Code of Conduct, participates in the implementation of annual Compliance Training Plans.

Additionally, each of the Group companies has a Local Compliance Head, who is the person appointed by the Ethics and Compliance Committee to monitor the Group's Regulatory Compliance System and responsible for ensuring that all local employees, technicians and managers receive ongoing training.

This Ethics and Compliance system, including the Internal Control of the Financial and Non-Financial Information policy, has been widely disseminated and is available to employees on the Group Intranet.

In addition to the Code of Conduct, Viscofan has an Internal Code of Conduct for the Securities Markets (ICC), which ensures, among other aspects, compliance with the legislation on market abuse. Thus, under the responsibility of the Secretary to the Board of Directors, all people affected by it (members of the Board of Directors, senior management and personnel who on a recurring basis may have access to information classified as inside information), repeatedly receive notifications concerning the presentation of results with the prohibition of trading with Company shares, monitoring the register of transactions and finally, when the information may be considered as inside information, the opening of the corresponding transaction and list of insiders. The Compliance Training Plan includes training activities relating to the ICC.

Lastly, the Viscofan Compliance System has a reporting process in place by virtue of which the Ethics and Compliance Committee reports to the Audit Committee at least twice a year regarding the implementation of the Compliance Plan for the year, which includes the correct functioning of the Whistleblowing Channel and the management of claims received through this channel. The Committee then reports to the Board of Directors regarding the functioning of the System and the Improvement plans to increase its efficiency.

- Whistle-blowing channel, to allow financial and accounting irregularities to be communicated to the Audit Committee, as well as possible non-compliance with the code of conduct and irregular activities in the organization, reporting where applicable if this is confidential in nature And if permitted, perform anonymous communications regarding the rights of the accuser and the accused.

As established in the Code of Conduct, all members of the Viscofan Group must behave with full respect for local laws and regulations and all of them have a duty to report and cooperate to prevent breaches of this duty to respect the applicable regulations in each case. For this purpose, since 2011, Viscofan has had a Whistleblower Channel, as an internal reporting channel, available to employees and other stakeholders, through which they can raise issues related to non-compliance with the law and the Code of Conduct.

In this context, based on Directive 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law ("Whistleblowing Directive"), Law 2/2023 of 20 February on the protection of persons who report breaches of Union law and the fight against corruption ("Law 2/2023") introduced new developments in this area during 2023.

To address these developments the Board of Directors has approved the General Policy that sets out the general principles of the Viscofan Group's Internal Reporting and Whistleblower Protection System, which guarantees the right of employees and third parties to communicate information on the breaches provided for therein through an internal reporting channel and determines the obligation to process the communication in accordance with a procedure that meets the due guarantees for whistleblowers and other affected parties.

The Policy provides for the need to establish an information management procedure (the "Information Management Procedure"). The Viscofan Ethics and Regulatory Compliance Committee, as the Body Responsible for the Internal Reporting System, is responsible for the diligent management of such procedure. The purpose of the Information Management Procedure is to develop the minimum content and principles set forth in the Policy in relation to the Information Management Procedure.

The Policy, the general principles of the Internal Reporting System, the Ethics Channel/Integrity Line and the Information Management Procedure are public on the corporate www.viscofan.com, website, on its home page, in a separate and easily identifiable section, as well as on the corporate intranet, which may be linked to the website.

- Periodic training and refresher courses for employees involved in preparing and revising the financial information, and in ICFR assessment, covering at least accounting standards, audit, internal control and risk management.

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

The aim of the Viscofan Group Training Policy is to guarantee that Group employees have all the knowledge and skills necessary for optimum execution of the duties assigned to them, improving or updating their performance.

Concerning one of the principles of this Policy, namely, planning, and in accordance with the responsibilities described therein, each year the Annual Training Plan is prepared, in which the managers of each department take part. Together with Human Resources Management, they identify training opportunities and the programmes to be carried out during the year.

In the case of the personnel involved in the preparation and review of the financial information, the external training actions for the review of standards and accounting procedures are combined with internal training, mainly concentrated on the dissemination of policies and procedures and on the execution of the internal controls included in the ICFR.

The employees of the Internal Audit department follow the guidelines laid down by the Spanish Institute of Internal Auditors of which Viscofan is a member, and undertake any training required to comply with their functions and best practices.

F.2. Financial reporting risk assessment.

Provide information on, at least, the following:

F.2.1 The key features of the risk identification process, including error and fraud risks, with respect to:

- Whether the process exists and is documented:

The two areas most directly involved in the identification of risks that could affect the drafting of financial information are the Corporate Finance Division and the Internal Audit Division. In their daily activities, permanent communication is encouraged between these two departments to analyse how the ICFR is working and identify risk areas for which additional controls should be incorporated into the system.

Every month, the Corporate Finance Department monitors compliance in the execution of controls of each subsidiary.

The Internal Audit Division also informs the Audit Committee on a quarterly basis of the main incidents identified in the period, together with a risk assessment based on qualitative criteria and the monitoring carried out on the corrective actions established in previous periods.

- Whether the process covers all the objectives of financial reporting (existence and occurrence; completeness; valuation; presentation, breakdown and comparability; and rights and obligations), whether the information is updated and with what frequency.

In each process and sub-process that affects the preparation of financial information, the Group identifies the risks that may materialise taking the following information into account:

- Description of the existing control objectives to meet the business targets defined by the Company and guarantee the reliability of the financial information.

- Possibility of the occurrence of an error risk, according to its impact on the financial statements, being categorised as follows:

a) Validity: All transactions generated in the period are valid.

b) Integrity: All transactions have been recorded correctly.

c) Registry: All transactions have been accurately entered into the accounts.

d) Cut-off: All transactions recorded represent economic events that occurred during the period in question; transactions are recorded in the corresponding period.

e) Assessment: Assets and liabilities are correctly valued (they appropriately reflect the existing circumstances of the business and its financial conditions).

f) Presentation: The financial statements are appropriately presented and disclosed.

At the meetings discussed in the previous point, a conclusion may be reached as to the need or not to modify the existing list of risks for each process (affecting the preparation of financial information), following an analysis of the information compiled.

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

- The existence of a process for identifying the consolidation perimeter, taking into account aspects including the possible existence of complex corporate structures, instrumental or special purpose vehicles.

In accordance with the Board of Directors Regulations, the Board shall be exclusively responsible for defining the structure of the corporate group. In turn, the Audit Committee shall oversee the appropriate scope of consolidation, taking into account, among other aspects, the possible existence of complex corporate structures and special purpose vehicles.

The Viscofan Group Accounting Policy Manual determines that the responsibility of keeping the scope of consolidation duly updated lies with the Consolidation Area, which forms part of the Corporate Finance Division. Corporate operations that could affect the scope are reported appropriately by the General Management and Legal Divisions.

The Audit Committee is informed about structural and corporative modification operations that are planned for its analysis and report to the Board of Directors regarding its economic conditions and accounting impact.

Independently of the fact the Group can grow either via acquisitions or organic growth, the Group's corporate strategy is to maintain as simple a structure as possible, in order to facilitate control of the business, from both an operational and a financial and accounting perspective.

In addition, it is the exclusive knowledge of the Board of Directors in full to create or acquire interests in special purpose vehicles or institutions registered in countries or territories regarded as tax havens, as well as any other transactions or operations of a similar nature whose complexity might impair the transparency of the group.

According to article 15 of these same Regulations, the Audit Committee is responsible for informing the Board, prior to it making the corresponding decisions in this area.

- Whether the process takes into account the effects of other types of risks (operational, technological, financial, legal, tax-related, reputational, environmental, etc.) insofar as they impact the financial statements.

The process of identification of risks of error or fraud in financial information takes into account the effects of other types of risks insofar as they affect the financial statements, risks that are assessed and managed as described in Section E of this report.

- Which of the entity's governance bodies supervises the process:

Article 15 of the Viscofan Board of Directors Regulations assigns the Audit Committee the role of monitoring the risk management carried out by the Group:

"Reviewing the internal control and financial and non-financial risk management systems, including tax risks, so that the main risks may be correctly identified, managed and suitably reported."

In addition, as described in section E of this report, all departments of the organisation, including the Internal Audit Division, collaborate with the Audit Committee through the Global Risk Committee, continuously identifying and assessing the risks faced by the organisation.

F.3. Control activities.

Provide information, indicating the main characteristics, about the existence of at least the following:

F.3.1 Procedures for reviewing and authorising financial information and the description of the ICFR, to be published in the stock markets, indicating those in charge, as well as descriptive documentation of the activity and control flows (including those related to fraud risk) of the various types of transactions that may materially affect the financial statements, including the procedure for closing the accounts and the specific review of key judgments, estimates, valuations and projections

The procedures existing in the Viscofan Group define the activities and controls to be carried out in the process of drafting the financial information, distinguishing the following stages until its dissemination:

- Recording of daily operations by each local department involved, including the book closing for each subsidiary.
- Carryover of financial information for consolidation.
- Consolidation of the information.
- Validation and approval of the financial information.
- Publication and dissemination of the information.

In accordance with what is set forth in the Policy on the Internal Control of Financial Reporting, the Corporate Finance Division is responsible for the design, start-up and dissemination of the ICFR, and for the accounting policies and procedures to be applied, the definition of the process of preparation of the financial information and the control activities for mitigating possible risk. To do this, it receives support from the Internal Audit Division, which in its task of overseeing the comprehensive nature of the accounting and management information issued, both internally and externally, cooperates in assessing the ICFR.

To do so, based on the documentation describing the flows that affect the different departments (purchasing, billing, salaries, banks and cash, etc.), the risk areas are identified and the internal controls to be carried out are proposed.

On the other hand, based on the balance sheets and profit and loss accounts, the most significant accounts are identified, analysing, by means of the controls implemented or establishing new controls if considered necessary, the coverage percentage, in order to guarantee the reliability of the information published. In this way, adding the two approximations by process and by items in the balance sheets and profit and loss account, the aim is to guarantee that the controls in place cover the most significant risk areas.

In order to have a more robust and effective internal control, the internal control model has been migrated and unified in 2023 in the SAP GRC tool, which adds to the possibility of executing and supervising control activities (master data management of controls by subsidiary, implementation and monitoring flows, evidence storage and review by Corporate Finance and supervision by Internal Audit) the potential to integrate automatic controls, and controls associated with other regulations (non-financial information internal control system, ITGC, COMPLIANCE) gaining in robustness and efficiency in the control environment as a whole.

In the course of 2023, further progress was made in the improvement and standardisation of evidence provided by the companies within the Group and the streamlining of the controls jointly undertaken by the Internal Audit and Corporate Finance departments, and with the collaboration of those responsible at a corporate level. Progress has also been made on the project to automate ICFR controls, in collaboration with the Internal Audit and IT Directorate and within the framework of the continuous audit project. In particular, those ICFR controls that could be automated have been identified and some of them have been designed, parameterised and implemented.

The document "The Internal Control and Risk Management Systems for Financial Information" implemented in Viscofan explains the set of measures and controls that allow the assurance of the financial statements, as well as narratives and flow charts related to the local procedure for closing accounts, with the corporate ICFR review process and the operations of the various existing committees.

When the local financial information has been generated, in accordance with the Reporting Validation and Analysis Procedure, each company should carry out the additional controls established in this Procedure, with the participation of at least two people: firstly, the person responsible for book closing at local level and, secondly, the person responsible for validating this closing, who is usually the Company finance manager or the person responsible for the commercial subsidiary.

The procedure for validation of the financial information reported by each subsidiary makes it possible to check that the data received for consolidation is consistent with that existing in the local systems and is standardised in accordance with the corporate accounting plan in force. The computer application used for consolidation has basic controls incorporated to flag any inconsistency in the information reported.

Those responsible for the accounting inform about changes to the financial statements of their subsidiary, transmitting the most relevant accounts with details of the calculations made.

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

The consolidated information is reviewed by the General Management, the Corporate Finance Division and the Investor Relations and Communication Division. This review takes place before the information is sent to the Board of Directors for final approval. The different Regional Directorates receive the consolidation of their respective areas for follow-up.

The Audit Committee intervenes in the supervision of the Company's regular financial information, filling the roles assigned to it in the Board of Directors Regulations.

"Overseeing the process devised by the senior management for instituting lawsuits, making assessments and reaching significant estimates, and the impact thereof on the financial statements. Reviewing, analysing and discussing the financial statements and other relevant financial information with the senior management team and the internal and external auditors so as to ensure that the information is reliable, understandable and relevant, and that the accounting standards used for the preceding year have been duly followed."

This involvement from the Audit Committee extends to permanently monitoring account auditing, holding regular meetings with the external auditor to directly supervise the result of the process after both pre-closing and definitive closing of the annual accounts.

The Committee pays special attention to proposals for improving internal control, the quality of the opinions and estimates and the accounting criteria applied in the Group.

F.3.2 Internal control procedures and policies for information systems (among others, access security, change control, their operation, operational continuity and segregation of functions) that support the relevant processes in the entity with respect to the drawing up and publication of the financial information.

The main standards and procedures existing in the Viscofan Group in relation to the control of computer systems are contained in the following manuals and policies, available on the Group intranet, which regulate the use of computer systems and networks and their control and management:

- Authorisation policy on computer access and profiles
- Password policy
- Computer systems and networks management policy
- IT Security Policy
- Confidentiality policy

These policies develop the following aspects:

- The control systems should record and limit access to all Group computer systems and networks, establishing at least the creation of a username for each authorised user and the need for a password associated with it in accordance with the Password Policy.
- Management of access to any computer system or network shall comply with the provisions of the IT Profile Access Authorisation Policy. Thus, the person responsible for managing profiles and access should keep a record that justifies the authorisation of each action or modification of profiles and each access made.
- Maintenance of the computer systems and networks should include periodic measures that guarantee the copying and the possibility of backup and recovery of the data and information contained in the different Viscofan Group computer systems and networks in each case. Access to these copying and backup resources or mechanisms should be limited, protecting their content in all cases and establishing mechanisms for safekeeping and custody that guarantee their security.
- Any development or modification made by the computer departments to the Viscofan Group computer systems and networks shall be carried out with as much coordination as possible, requesting the authorisations necessary for its implementation or for performing any test process and, in any case, establishing at least the same measures in terms of security and limitation of access to the data.
- The security policy, management of changes, maintenance and handling of incidents should guarantee rapid recovery of the Viscofan Group computer systems and networks in the event of any contingency that could have an impact on their availability.
- All personnel, and from this moment all employees, without prejudice to the commitment established in their contract or not, having access to confidential information in the Viscofan Group must sign a confidentiality agreement that explicitly and unequivocally Details the obligation of restrictive use of the confidential information and the obligation to keep it secret, restricting its access and disclosure.

The main infrastructure of the Group is located in a main Data Processing Centre (CPD). In a second CPD the secondary infrastructure is housed to ensure the continuity of the service in case of disaster.

The Viscofan Group has a Disaster Recovery Plan, coming within the framework of processes and procedures, and which will serve to guide and support the teams during an incident. This will enable the teams to respond in a way which is as most efficient and controlled as possible, minimising the impact on users, in order to return to operational service as soon as possible.

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

F.3.3 Internal control procedures and policies designed to supervise the management of activities subcontracted to third parties, and those aspects of the evaluation, calculation and assessment outsourced to independent experts, which may materially impact the financial statements.

The Viscofan Group assigns to independent expert third parties the actuarial calculations on labour liabilities and the calculation of the Corporate Tax of some of the Group companies, as well as the performing of PPA (Purchase Price Allocation) processes in the purchases of new businesses and the valuations of the share-based plans.

In any case, the criterion is maintained of working only with prestigious institutions, and the valuations received are reviewed by the financial departments involved.

In line with the evolution of technology, housing and maintenance services are contracted for the Group's main data centres, as well as plans that ensure business continuity in the event of computer incidents. Outsourced services are periodically monitored by checking the critical management indicators. A validation service has been implemented for cloud services offered by software companies for the access and use of their applications.

F.4. Information and communication.

Provide information, indicating the main characteristics, about the existence of at least the following:

F.4.1 A specific function in charge of defining and keeping the accounting policies updated (accounting policy department or area) and dealing with queries or conflicts stemming from their interpretation, ensuring smooth communication with those in charge of operations in the organization, and an up-to-date manual of accounting policies, communicated to the units through which the entity operates.

The responsibility for defining, updating and disseminating the accounting policies and procedures to be applied to guarantee standardisation of processes and accounting information lies with the Corporate Finance Division, in accordance with the Policy on the Internal Control of Financial Reporting.

The accounting manuals are disseminated through the document libraries on the corporate Intranet and are available to the financial teams. Contact between corporate and local levels is continuous, and lines of communication are maintained for resolving any queries and conflicts derived from their interpretation.

The manuals are reviewed by the person responsible for Consolidation, at least annually, generally during the months of November and/or December. The perimeter is updated and new legal regulations applicable to the Group are incorporated. The documents are issued in Spanish and English.

In addition, regular account coordination meetings are held to transmit accounting policies, provide training in the performance of the controls included in the ICFR and check standardisation in the preparation of the information reported by each subsidiary.

F.4.2 Mechanisms to capture and prepare the financial reporting in standardised formats, for application and use by all the units of the entity or the group, that support the main financial statements and the notes, and the information detailed on ICFR.

In accordance with the Policy on the Internal Control of the Financial Information, the Group Financial Department is responsible for supervising the appropriate design and use of the financial computer systems.

For these purposes, the Corporate Finance Division has organised selection, set-up, implementation and training into a single reporting tool for consolidation for all Viscofan Group companies.

The data from the local applications are integrated into the consolidation system following a single corporate accounting procedure, the Corporate Accounting Plan. The Corporate Finance Division is responsible for reviewing the equivalence between the accounting plans from each subsidiary and the Corporate Accounting Plan in order to guarantee the standardisation of the information received.

As an additional control measure, the financial team ensures that at year-end, the accounting balances of the consolidation system coincide with the accounting balances of the financial modules of each subsidiary to ensure that the origin and destination information is the same.

The content of the information reported includes both the financial statements and most of the information necessary for preparing the tables and notes for the Annual Report of the company and subsidiaries, the first draft of which is prepared directly in this system.

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

F.5. Supervising the system's operation.

Provide information, indicating the main characteristics, about at least the following:

F.5.1 The ICFR supervision activities carried out by the Audit Committee and whether the entity has an internal audit function whose powers include providing support to the Audit Committee in its task of supervising the internal control system, including the ICFR. Likewise, Likewise, information will be given on the scope of the ICFR assessment undertaken during the year and on the procedure by which the person in charge of performing the assessment communicates its results, where the entity has an action plan listing the possible corrective measures, and whether its impact on financial reporting has been considered.

As stated in Art. 8 of the Regulations of the Audit Committee, one of its main functions is to oversee and evaluate the process of preparation, presentation and integrity of the economic and financial and non-financial information relating to the Company and its consolidated Group, reviewing the correct design of the internal control systems for financial and non-financial information, compliance with the regulatory requirements for both types of information and the correct application of generally accepted accounting principles.

Reporting directly functionally to the Audit Committee is the Internal Audit Department of the Viscofan Group, whose scope of work is to determine whether the risk management and control processes of the Viscofan Group, designed and operated by the Management, are adequate and operate in a manner that ensures, among other things, significant financial, managerial and operational information is accurate, accountable and available in a timely manner.

During the 2023 financial year, the Internal Audit Division's work plan has focused in particular on:

- The development of automatic controls (continuous auditing) consisting of the automation of detective controls (alerts) in the SAP management system environment for different Group processes, as well as their subsequent visualisation and exploitation in the Power Bi tool.
- Participation in the Investment Committee, overseeing its activity. In 2023, the Investment Committee held four meetings, coinciding with the quarterly financial closures. Investments are strictly monitored at all subsidiaries. A report is issued by the Corporate Finance Department every month and emailed to the Committee members, making it possible to ensure that any possible deviations are quickly detected and the appropriate actions can be taken. In addition, the eight projects with the largest budget allocations have been monitored more closely this year, on a fortnightly basis.
- Participation in the Credit Risk Committee, overseeing its activity, particularly with regard to credit risk coverage levels and the principal accounts receivable. The Credit Risk Committee met during the year on four occasions. The key objective of the Credit Risk Committee is to report on the taking out of credit insurance, compliance with established procedures and the added risk involved in selling to some countries. Furthermore, a detailed analysis is made of the total exposure of customers, particularly those with the largest amounts of matured debt. Special attention continued to be paid to customers located in countries, which, for various reasons, are experiencing geopolitical instabilities. Monitoring conducted by the Committee has made it possible to keep the amount of the debt covered compared to last year. The default rate was maintained at a level considered satisfactory by the organisation.
- Participation in the Global Risk Committee described above, re-evaluating and redefining some of the risks on the existing Risk Map, redefining all the KRIs associated with each of these risks and monitoring the values of these KRIs.
- The quarterly assessment of the ICFR, reviewing the controls made and the quality of the evidence provided, establishing appropriate corrective measures. Specifically, every quarterly closure is accompanied by a review of the most important controls, submitting the findings report to the Audit Committee prior to the approval of the financial information to be published.
- The review of different processes in various national and international subsidiaries in compliance with the annual Audit Plan approved for 2023.
- The monitoring of the implementation of the recommendations arising from the reviews of the different processes audited in the past. For this purpose there is a tool to monitor Internal Audit's recommendations, with the creation of reports for Senior Management.

The Internal Audit Department continuously carries out an independent review of the effectiveness of the different controls implemented in the SCIIF platform, through both the quarterly reviews it carries out of the SCIIF controls, as well as the work approved within the annual performance plan. audit that allow you to analyze the controls implemented to mitigate the risks that are being audited. Subsequently, these conclusions are discussed with the Corporate Finance Department as responsible for the System, agreeing on action plans to correct the possible incidents found. Subsequently, said conclusions reached are transferred to the Audit Committee prior to the approval of the financial information to be published, for its consideration. The Internal Audit activity is considered satisfactory, thanks mainly to the high rate of application of the improvements and recommendations made to solve the incidents detected.

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

F.5.2 Whether there is a discussion procedure by which the auditor (in accordance with the technical auditing notes), the internal audit function and other experts can inform senior management and the audit committee or the directors of the entity of significant weaknesses in the internal control encountered during the review processes for the annual accounts or any others within their remit. Likewise, give information on whether there is an action plan to try to correct or mitigate the weaknesses observed.

The Audit Committee has its own Regulations in accordance with the law and internal corporate governance regulations, which develop and complement the rules of the Articles of Association and the Regulations of the Board of Directors applicable to the Committee.

Art. 6 of these Regulations describes the different functions of the Committee regarding the external auditors, and among others the following functions are indicated;

- Supervise the results of each audit and the management team's responses to its recommendations.
- Supervise the content of the audit reports before issuance and, where appropriate, of the limited review reports of intermediate accounts ensuring that said content and the opinion on the annual accounts are drafted clearly, precisely and without limitations or exceptions by the auditor, explaining them to the shareholders (if any). In this regard, together with the auditor, the Committee must oversee the significant findings derived from its work and, where appropriate, propose to the Board of Directors the measures it deems appropriate to address the shortfalls found by the auditor.
- Assess whether the relationships and collaboration of senior management and the financial department with the auditor has been suitable for the performance of the audit functions.

Art. 7 of these Regulations describes the different functions of the Committee regarding the internal auditors, and among others the following functions are indicated;

- Receive regular information on the activities carried out by the Internal Audit Department of Viscofan and the companies of its Group, and specifically on the execution of the annual work plan, the incidents found and the annual report containing a summary of the activities.
- Ensure that senior managers take into account the conclusions and recommendations of the reports of the Internal Audit Department.

F.6. Other significant information.

We do not consider it necessary to disclose any other information that has not been already described in the above sections.

F.7. External audit report.

Provide information about the following:

F.7.1 Whether the ICFR information disclosed to the markets has been submitted by the external auditor, in which case the entity must attach the corresponding report as an annexe. Otherwise, explain the reasons why it was not.

The ICFR information was subjected to review by our external auditors, PwC in accordance with the Professional Action Guidelines and the Audit Report model concerning SCIF-related information on listed companies as laid down in Circular No. 5/2013 of 12 June by the National Securities Market Commission (CNMV), subsequently amended by Circular No. 7 2015 of the CNMV on 22 December 2015 and Circular No. 2/2018 of the CNMV on 12 June 2018.

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the extent to which the company follows the recommendations of the Good Governance Code of listed companies.

Should any recommendation not be followed or be only partially followed, a detailed explanation should be given of the reasons so that the shareholders, investors and the market in general have sufficient information to assess the way the company works. General explanations will not be acceptable.

1. The bylaws of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.

Complies Explain

2. That, when the listed company is controlled in accordance with Article 42 of the Commercial Code by another entity, listed or not, and has a direct business relationship with this company or any of its subsidiaries (other than the listed company) or undertakes any activity relating to any of them, they should publicly provide precise information on:

- a) The respective areas of activity and any business relationships between the listed company or its subsidiaries on one hand, and the parent company or its subsidiaries on the other hand.
- b) The mechanisms envisaged to resolve any possible conflicts of interest that may arise.

Complies Partially complies Explain Not applicable

3. During the annual general meeting the chairman of the board should verbally inform shareholders in sufficient detail of the most relevant aspects of the company's corporate governance, supplementing the written information circulated in the annual corporate governance report. In particular:

- a) Changes taking place since the previous General Shareholders' Meeting.
- b) The specific reasons for the company not following a given Code Good Governance recommendation and any alternative procedures followed in its stead.

Complies Partially complies Explain

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

4. The company should define and promote a policy relating to communication and contacts with shareholders and institutional investors within the framework of their involvement with the company, as well as with proxy advisors that complies in full with market abuse regulations and accords equitable treatment to shareholders in the same position. This policy should be published on the company's website, complete with details of how it has been put into practice and the identities of the relevant spokespersons or those responsible for its implementation.

And that, notwithstanding the legal obligations for the dissemination of inside information and other types of regulated information, the Company also has a general policy regarding the communication of economic-financial, non-financial and corporate information through the channels it deems appropriate (the media, social networks and other channels), which contributes to maximising the dissemination and quality of the information available to the market, investors and other stakeholders.

Complies Partially complies Explain

5. The board of directors should not make a proposal to the general meeting for the delegation of powers to issue shares or convertible securities without pre-emptive subscription rights for an amount exceeding 20% of capital at the time of such delegation.

When a board approves the issuance of shares or convertible securities without pre-emptive subscription rights, the company should immediately post a report on its website explaining the exclusion as envisaged in company legislation.

Complies Partially complies Explain

6. Listed companies drawing up the following reports on a voluntary or compulsory basis should publish them on their website well in advance of the annual general meeting, even if their distribution is not obligatory:

- a) Report on auditor independence.
- b) Reviews of the operation of the audit committee and the nomination and remuneration committee.
- c) Audit committee report on third-party transactions.

Complies Partially complies Explain

7. The company should broadcast its general meetings live on the corporate website.

And that the company has mechanisms that enable the delegation and exercise of voting by means of telematics and, in the case of large cap companies and as far as is commensurate, attendance and active participation in the General Shareholders' Meeting.

Complies Partially complies Explain

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

8. That the audit committee ensures that the annual accounts presented by the board of directors to the general shareholders' meeting are prepared in accordance with accounting regulations. And that where the accounts auditor has included any provisos in the audit report, the chairperson of the audit committee should clearly explain at the general shareholders' meeting the opinion of the audit committee of its content and scope, when the general shareholders' meeting is called, to provide the shareholders with a summary of this opinion, together with the board's other proposals and reports.

Complies Partially complies Explain

9. The company should disclose its conditions and procedures for admitting share ownership, the right to attend general meetings and the exercise or delegation of voting rights, and display them permanently on its website.

Such conditions and procedures should encourage shareholders to attend and exercise their rights and be applied in a non-discriminatory manner.

Complies Partially complies Explain

10. When an accredited shareholder exercises the right to supplement the agenda or submit new proposals prior to the general meeting, the company should:

- a) Immediately circulate the supplementary items and new proposals.
- b) Disclose the model of attendance card or proxy appointment or remote voting form duly modified so that new agenda items and alternative proposals can be voted on in the same terms as those submitted by the board of directors.
- c) Put all these items or alternative proposals to the vote applying the same voting rules as for those submitted by the board of directors, with particular regard to presumptions or deductions about the direction of votes.
- d) After the general meeting, disclose the breakdown of votes on such supplementary items or alternative proposals.

Complies Partially complies Explain Not applicable

11. In the event that the company plans to pay for attendance at the general meeting, it should first establish a general, long-term policy in this respect.

Complies Partially complies Explain Not applicable

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

12. The board of Directors should perform its duties with unity of purpose and independent judgement, according the same treatment to all shareholders in the same position. It should be guided at all times by the company's best interest, understood as the creation of a profitable business that promotes its sustainable success over time, while maximising its economic value.

In pursuing the corporate interest, it should not only abide by laws and regulations and conduct itself according to principles of good faith, ethics and respect for commonly accepted customs and good practices, but also strive to reconcile its own interests with the legitimate interests of its employees, suppliers, clients and other stakeholders, as well as with the impact of its activities on the broader community and the natural environment.

Complies [X] Partially complies [] Explain []

13. The Board of Directors should have an optimal size to promote its efficient functioning and maximize participation. The recommended range is accordingly between five and fifteen members.

Complies [X] Explain []

14. That the Board of Directors should approve a policy aimed at establishing a suitable composition of the Board of Directors and which:

- a) Is specific and verifiable.
- b) ensures that the appointment or re-election proposals are based on a prior analysis of the skills required by the Board of Directors; and
- c) encourages a diversity of knowledge, experience, age and gender. With regard to this, measures that promote gender diversity are those promoting the presence of a significant number of women in the company's senior management.

That the results of the prior analysis of the skills required by the board should be included in the appointment committee's justifying report that is published when the general shareholders' meeting is convened and in which the appointment and re-election of each director will be ratified.

The appointments committee should run an annual check on compliance with this policy and include its findings in the annual corporate governance report.

Complies [X] Partially complies [] Explain []

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

15. Nominee and independent directors should constitute an ample majority on the board of directors, while the number of executive directors should be the minimum practical bearing in mind the complexity of the corporate group and the ownership interests they control.

And that the number of female directors should represent at least 40% of the members of the Board of Directors by the end of 2022 and thereafter, and before this should never be less than 30%.

Complies []

Partially complies [X]

Explain []

In accordance with Principle 11 of the Code of Good Governance, the Board of Directors has a balanced composition, with a large majority of external directors, an appropriate proportion between nominee and independent directors, the latter being a majority on the Board of Directors. In particular, independent directors account for 6 out of a total of 11 directors (55%) and nominee directors for 2 (18%), so that the sum of both represents a broad majority on the Board of Directors (73%), while the number of executive directors accounts for 2 out of a total of 11 directors (18%).

In recent years Viscofan has increased the number of female directors from 1 to 4, currently representing 36.4% of the total number of directors, very similar to that established in this recommendation. In accordance with the Director Selection and Diversity Policy, the Appointments, Remuneration and Sustainability Committee, or the Board of Directors itself, as the case may be, actively seeks the inclusion in the process of female candidates who, responding to the needs of the skills matrix, contribute to improving the percentage of women, and in the event of two similar professional profiles, the female candidate is proposed.

In addition, the Appointments, Remuneration and Sustainability Committee in compliance with Recommendation 14 of the Good Governance Code of Listed Companies and the Selection and Diversity Policy, in relation to the previous analysis of the needs of the Company and the competencies required by the Board of Directors regarding the proposals on the composition of the Board of Directors for the General Shareholders' Meeting of 2024, issued a report on 15 February 2024, which will be made available to the shareholders, proposing the reduction of the number of members of the Board of Directors from eleven (11) to ten (10) members, considering that this maintains a balanced and diverse composition and, in particular, the percentage of women out of the total number of members of the Board of Directors will reach 40% (compared to 36% as at 31 December 2023), reaching the target of female representation set out in this recommendation.

16. The percentage of nominee directors out of all non-executive directors should be no greater than the proportion between the ownership stake of the shareholders they represent and the remainder of the company's capital.

This criterion can be relaxed:

- a) In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings.
- b) In companies with a plurality of shareholders represented on the board but not otherwise related.

Complies [X]

Explain []

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

17. Independent directors should be at least half of all directors.

However, when the company does not have a large market capitalisation, or when a large cap company has shareholders individually or concertedly controlling over 30% of capital, independent directors should occupy, at least, a third of the total number of directors.

Complies Explain

18. Companies should disclose the following information on their directors on their websites and keep it regularly updated:

- a) Background and professional experience.
- b) Directorships held in other companies, listed or otherwise, and other paid activities they engage in, of whatever nature.
- c) Statement of the director category to which they belong, in the case of nominee directors indicating the shareholder they represent or have links with.
- d) Dates of their first appointment as a director and subsequent re-elections.
- e) Shares held in the company, and any options on the same.

Complies Partially complies Explain

19. Following verification by the appointments committee, the annual corporate governance report should disclose the reasons for the appointment of proprietary directors at the urging of shareholders controlling less than 3% of capital; and explain any rejection of a formal request for a place on the board from shareholders whose equity stake is equal to or greater than that of others applying successfully to be appointed a proprietary director.

Complies Partially complies Explain Not applicable

20. Nominee directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to nominee directors, the latter's number should be reduced accordingly.

Complies Partially complies Explain Not applicable

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

21. The Board of Directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the Bylaws, except where they find just cause, based on a proposal from the Nomination Committee. In particular, just cause will be presumed when directors take up new posts or responsibilities that prevent them allocating sufficient time to the work of a director, or are in breach of their fiduciary duties or come under one of the disqualifying grounds for classification as independent enumerated in the applicable legislation.

The removal of independent directors may also be proposed when a takeover bid, merger or similar corporate transaction alters the company's capital structure, provided the changes in board membership ensue from the proportionality criterion set out in recommendation 16.

Complies Explain

22. That companies should establish rules obliging directors to disclose any circumstance and, where appropriate, resign when circumstances arise that affect them, whether or not they are related to their actions within the company itself, that might harm the organisation's name or reputation and, in especially, to inform the board of any criminal charges in which they may be investigated, and their involvement in any subsequent legal proceedings.

And that, if the Board has been informed or become aware in any other way of the existence of any of the situations mentioned in the previous paragraph, the case should be examined as soon as possible, according to the specific circumstances and with a prior report to the Appointment and Remuneration Committee, to determine whether or not any measures should be taken, such as opening an internal investigation, asking the director to resign or proposing their dismissal. And that a report regarding this is included in the annual corporate governance report, unless there are special circumstances to justify this, in which case they should be confirmed in the minutes. All this notwithstanding the information that the company needs to provide, where applicable, at the time when the measures are taken.

Complies Partially complies Explain

23. Directors should express their clear opposition when they feel a proposal submitted for the board's approval might damage the corporate interest. In particular, independents and other directors not subject to potential conflicts of interest should strenuously challenge any decision that could harm the interests of shareholders lacking board representation.

When the board makes relevant or reiterated decisions about which a director has expressed serious reservations then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next recommendation.

The terms of this recommendation should also apply to the secretary of the board of directors, whether a director or otherwise.

Complies Partially complies Explain Not applicable

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

24. That directors who give up their place before their tenure expires, through resignation or agreement at the general shareholders' meeting, should clearly state their reasons for their resignation or, in the case of non-executive directors, their opinion of the for their dismissal by general meeting in a letter to be sent to all members of the board of directors.

And that, notwithstanding including all this in the annual corporate governance report, insofar as it concerns the investors, the company should publish the dismissal as soon as possible making sufficient references to the reasons or circumstances given by the director.

Complies Partially complies Explain Not applicable

25. The nomination committee should ensure that non-executive directors have sufficient time available to discharge their responsibilities effectively.

The board of directors regulations should lay down the maximum number of company boards on which directors can serve.

Complies Partially complies Explain

26. The board should meet with the necessary frequency to properly perform its functions, eight times a year at least, in accordance with a calendar and agendas set at the start of the year, to which each director may propose the addition of initially unscheduled items.

Complies Partially complies Explain

27. Director absences should be kept to a strict minimum and quantified in the Annual Corporate Governance Report. In the event of absence, directors should delegate their powers of representation with the appropriate instructions.

Complies Partially complies Explain

28. When directors or the secretary express concerns about some proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the meeting, they should be recorded in the minute book if the person expressing them so requests.

Complies Partially complies Explain Not applicable

29. The company should provide suitable channels for directors to obtain the advice they need to carry out their duties, extending if necessary to external assistance at the company's expense.

Complies Partially complies Explain

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

30. Regardless of the knowledge directors must possess to carry out their duties, they should also be offered refresher programmes when circumstances so advise.

Complies [X]

Explain []

Not applicable []

31. The agendas of board meetings should clearly indicate on which points directors must arrive at a decision, so they can study the matter beforehand or gather together the material they need.

For reasons of urgency, the chairman may wish to present decisions or resolutions for board approval that were not on the meeting agenda. In such exceptional circumstances, their inclusion will require the express prior consent, of the majority of directors present, which shall be duly shown in the minutes.

Complies [X]

Partially complies []

Explain []

32. Directors should be regularly informed of movements in share ownership and of the views of major shareholders, investors and rating agencies on the company and its group.

Complies [X]

Partially complies []

Explain []

33. That the Chairman, as the person responsible for the effective operation of the Board of Directors, in addition to attending to his/her legally and statutorily attributed functions, should prepare a programme with dates and issues to address to be submitted to the Board of Directors; he/she should organise and coordinate the regular assessment of the board, and where applicable, that of the company's chief executive; he/she should be responsible for managing the board and for the effectiveness of its performance; he/she should ensure that enough time is given to discussing strategic matters, and should agree and review the knowledge updating programmes for each director, when circumstances so advise.

Complies [X]

Partially complies []

Explain []

34. When a lead independent director has been appointed, the Bylaws or Board of Directors regulations should grant him or her the following powers over and above those conferred by law: chair the board of directors in the absence of the chairman and vice chairmen give voice to the concerns of non-executive directors; maintain contacts with investors and shareholders to hear their views and develop a balanced understanding of their concerns, especially those to do with the company's corporate governance; and coordinate the chairman's succession plan.

Complies [X]

Partially complies []

Explain []

Not applicable []

35. The board secretary should strive to ensure that the board's actions and decisions are informed by the governance recommendations of the Code of Good Governance of relevance to the company.

Complies [X]

Explain []

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

36. The board in full should conduct an annual evaluation, adopting, where necessary, an action plan to correct weaknesses detected in:
- a) The quality and efficiency of the board's operation.
 - b) The performance and membership of its committees.
 - c) The diversity of board membership and competences.
 - d) The performance of the chairman of the board of directors and the company's chief executive.
 - e) The performance and contribution of individual directors, with particular attention to the chairmen of board committees.

The evaluation of board committees should start from the reports they send the board of directors, while that of the board itself should start from the report of the nomination committee.

Every three years, the board of directors should engage an external facilitator to aid in the evaluation process. This facilitator's independence should be verified by the nomination committee.

Any business dealings that the facilitator or members of its corporate group maintain with the company or members of its corporate group should be detailed in the annual corporate governance report.

The process followed and areas evaluated should be detailed in the annual corporate governance report.

Complies Partially complies Explain

37. That where an executive committee exists, it should include at least two non-executive directors, at least one of whom should be independent; and the secretary should be that of the board of directors.

Complies Partially complies Explain Not applicable

38. The board of directors should be kept fully informed of the business transacted and decisions made by the executive committee. To this end, all board members should receive a copy of the committee's minutes.

Complies Partially complies Explain Not applicable

39. That the members of the Audit Committee as a whole and, particularly, the Chairman thereof, should be appointed taking into account their background knowledge and experience in accounting, auditing and the management of financial and non-financial risks.

Complies Partially complies Explain

**ANNUAL CORPORATE GOVERNANCE
REPORT OF LISTED CORPORATIONS**

40. Listed companies should have a unit in charge of the internal audit function, under the supervision of the audit committee, to monitor the effectiveness of reporting and control systems. This unit should report functionally to the board's non-executive chairman or the chairman of the audit committee.

Complies [X]

Partially complies []

Explain []

41. That the head of the unit responsible for internal auditing should submit their annual work plan to the Audit Committee to be approved by them or by the board, report directly to them with regard to its execution, including and possible incidents or restrictions to the scope of its actions, the results and monitoring of its recommendations and at the end of each financial year to submit an activity report.

Complies [X]

Partially complies []

Explain []

Not applicable []

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

42. The audit committee should have the following functions over and above those legally assigned:

1. With respect to internal control and reporting systems:
 - a) Supervise and assess the preparation process for and the integrity of the financial and non-financial information, the financial risk control and management systems relating to the company and, where applicable, to the Group (including operational, technological, legal, social, environmental, policy, reputational and relating to corruption) to review compliance with regulatory requirements, a suitable delimitation of the consolidation perimeter and the correct application of accounting criteria.
 - b) Monitor the independence of the unit responsible for the internal audit function; propose the selection, appointment, and removal of the head of the internal audit service; propose the service's budget; approve or propose approval to the board for its priorities and the annual work for internal auditing, ensuring that it focuses primarily on the main risks the company is exposed to (including reputational); receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.
 - c) Establish and supervise a mechanism whereby staff and others related to the company, such as directors, shareholders, suppliers, contractors and sub-contractors, can report any significant irregularities, including financial and accounting irregularities, or of any other nature, relating to the company that are observed in the heart of the company or its group. This mechanism should guarantee confidentiality and, in any case, envisage the possibility of the notifications being made anonymously, always respecting the rights of both the accuser and the accused.
 - d) Generally safeguard that the established policies and systems with regard to internal control are applied effectively in practice.
2. With respect to the external auditor:
 - a) Investigate the issues giving rise to the resignation of the external auditor, should this come about.
 - b) Ensure that the remuneration of the external auditor does not compromise its quality or independence.
 - c) Ensure that the company notifies any change of auditor through the Spanish Securities Market Commission (CNMV) and accompanies the notification with a declaration on the possible existence of disagreements with the outgoing auditor and with the contents of the audit, if any.
 - d) Ensure that the external auditor has a yearly meeting with the board in full to inform it of the work undertaken and developments in the company's risk and accounting positions.
 - e) Ensure that the company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other requirements concerning auditor independence.

Complies [X]

Partially complies []

Explain []

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

43. The audit committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.

Complies Partially complies Explain

44. The Audit Committee should be informed of any fundamental changes or corporate transactions the company is planning, so the committee can analyse the operation and report to the board beforehand on its economic conditions and accounting impact and, when applicable, the exchange ratio proposed.

Complies Partially complies Explain Not applicable

45. That risk control and management policy should identify or conform at least the following:

- a) The different types of financial and non-financial risk the company is exposed to (including operational, technological, financial, legal, social, environmental, political and reputational risks, including those related to corruption), with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks.
- b) A risk control and management model based on different levels and that should include a committee specialising in risks when sector norms envisage this or if the company feels it is appropriate.
- c) The risk level the company feels is acceptable.
- d) The measures in place to mitigate the impact of identified risk events should they occur.
- e) The internal control and reporting systems to be used to control and manage the above risks, including contingent liabilities and off-balance sheet risks.

Complies Partially complies Explain

46. Companies should establish a risk control and management function in the charge of one of the company's internal department or units and under the direct supervision of the audit committee or some other dedicated board committee. This function should be expressly charged with the following responsibilities:

- a) Ensure that risk control and management systems are functioning correctly and, specifically, that major risks the company is exposed to are correctly identified, managed and quantified.
- b) Participate actively in the preparation of risk strategies and in key decisions about their management.
- c) Ensure that risk control and management systems are mitigating risks effectively in the frame of the policy drawn up by the board of directors.

Complies Partially complies Explain

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

47. Members of the nomination and remuneration committee – or of the nomination committee and remuneration committee, if separately constituted – should have the right balance of knowledge, skills and experience for the functions they are called on to discharge. The majority of their members should be independent directors.

Complies Partially complies Explain

48. Large cap companies should operate separately constituted nomination and remuneration committees.

Complies Explain Not applicable

49. The Nomination Committee should consult with the company's Chairman and chief executive, especially on matters relating to executive Directors.

When there are vacancies on the board, any Director may approach the Nomination Committee to propose candidates that it might consider suitable.

Complies Partially complies Explain

50. The remuneration committee should operate independently and have the following functions in addition to those assigned by law:

- a) Propose to the board the standard conditions for senior officer contracts.
- b) Monitor compliance with the remuneration policy set by the company.
- c) Periodically review the remuneration policy for directors and senior officers, including share-based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other directors and senior officers in the company.
- d) Ensure that conflicts of interest do not undermine the independence of any external advice the committee engages.
- e) Verify the information on director and senior officers' pay contained in corporate documents, including the annual directors' remuneration statement.

Complies Partially complies Explain

51. The remuneration committee should consult with the company's chairman and chief executive, especially on matters relating to executive directors and senior officers.

Complies Partially complies Explain

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

52. The terms of reference of supervision and control committees should be set out in the board of directors regulations and aligned with those governing legally mandatory board committees as specified in the preceding sets of recommendations. They should include at least the following terms:
- a) Committees should be formed exclusively by non-executive directors, with a majority of independents.
 - b) They should be chaired by independent directors.
 - c) That the board of directors should appoint the members of such committees with regard to the knowledge, skills and experience of its directors and each committee's terms of reference and discuss their proposals and reports; and provide report-backs on their activities and work at the first plenary meeting of the board of Directors following each committee meeting.
 - d) They may engage external advice, when they feel it necessary for the discharge of their functions.
 - e) Meeting proceedings should be recorded in minutes and a copy made available to all directors.

Complies [X]

Partially complies []

Explain []

Not applicable []

53. That the supervision of compliance with the company's rules and policies regarding environmental, social and corporate governance issues, as well as the internal code of conduct, should be attributed to one or shared between several Board of Directors' committees that could include the Audit Committee, the Appointments Committee, a committee specialising in sustainability or corporate social responsibility or any other specialist committee that the Board of Directors decides to create in accordance with its powers of self-governance. And that this committee should only consist of non-executive directors, most of whom will be independent and they should be assigned the minimum functions as detailed in the following recommendation.

Complies [X]

Partially complies []

Explain []

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

54. The minimum functions referred to in the above recommendation are the following:
- a) Supervision of compliance with the company's corporate governance rules and internal codes of conduct, whilst ensuring that corporate culture is in line with its purpose and values.
 - b) Supervision of the application of the general policy regarding the notification of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, proxy advisers and other stakeholders. There will also be monitoring of how the entity communicates with and relates to small and medium-sized shareholders.
 - c) Regular assessment and review of the Company's corporate governance system and its policy regarding environmental and social issues, with the purpose of confirming compliance with its mission to promote social interest and where appropriate, taking into account the legitimate interests of remaining stakeholders.
 - d) Supervision that the company's practices regarding environmental and social issues are in accordance with the established strategy and policies.
 - e) Monitor and assess the company's interaction with its stakeholder groups.

Complies

Partially complies

Explain

55. That sustainability policies regarding environmental and social issues identify and include at least the following:
- a) The principles, commitments, objectives and strategy relating to shareholders, employees, customers, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of corruption and other illicit behaviour
 - b) The methods and systems for monitoring compliance with the policies, associated risks and their management.
 - c) The mechanisms for supervising non-financial risk, including that relating to ethics and business conduct.
 - d) Channels for stakeholder communication, participation and dialogue.
 - e) Responsible communication practices that prevent the manipulation of information and protect the company's honour and integrity.

Complies

Partially complies

Explain

56. Directors' remuneration should be sufficient to attract individuals with the desired profile and compensate the commitment, abilities and responsibility that the post demands, but not so high as to compromise the independent judgement of non-executive directors.

Complies

Explain

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

57. Variable remuneration linked to the company and the director's performance, the award of shares, options or any other right to acquire shares or to be remunerated on the basis of share price movements, and membership of long-term savings schemes such as pension plans should be confined to executive directors.

The company may consider the share-based remuneration of non-executive directors provided they retain such shares until the end of their mandate. The above will not be applicable to shares that the director has to sell to satisfy costs related to their acquisition.

Complies Partially complies Explain

58. In the case of variable remuneration, policies should include limits and technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, or circumstances of that kind.

Specifically, variable components of remuneration should meet the following conditions:

- a) Be subject to predetermined and measurable performance criteria that take into account the risk assumed to obtain a given result.
- b) Promote the long-term sustainability of the company and include non-financial criteria that are relevant for the company's long-term value, such as compliance with its internal rules and procedures and its risk control and management policies.
- c) They should be drafted based on a balance between meeting objectives in the short, medium and long term, that will enable remuneration to take into account ongoing performance over a period of time that is sufficient to be able to appreciate the contribution to the creation of sustainable value, so performance measurement will not be based solely on one-off, occasional or extraordinary events.

Complies Partially complies Explain Not applicable

59. That the payment of variable remuneration components should be subject to sufficient verification that performance criteria have effectively been met, or any other criteria previously established. In their annual report on remunerations to directors, entities will include the criteria with regard to the time required and the methods used for this verification in accordance with the nature and characteristics of each variable component.

That the entities should also assess the creation of a reduction clause ("malus") based on deferring for a suitable period of time the payment of part of the variable components that may involve total or partial loss where prior to payment an event may occur that makes payment inadvisable.

Complies Partially complies Explain Not applicable

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

The components for variable remuneration are subject to the preparation of annual accounts, the control system, and supervision by the Appointments, Remuneration and Sustainability Committee in the clawback clause. However, the establishment of a malus clause, based on the deferral of the payment of part of the variable components, has not been included.

60. Remuneration linked to company earnings should bear in mind any qualifications stated in the external auditor's report that reduce their amount.

Complies Partially complies Explain Not applicable

61. A major part of executive directors' variable remuneration should be linked to the award of shares or financial instruments whose value is linked to the share price.

Complies Partially complies Explain Not applicable

62. That following the award of shares, financial options and instruments corresponding to the remuneration systems, executive directors may not transfer ownership or exercise them until at least three years have passed.

An exception is made where at the time of transfer or exercise the director maintains net economic exposure to a variation in the price of the shares for a market value equivalent to amount corresponding to at least double the annual fixed remuneration from the ownership of shares, options or other financial instruments.

The above shall not be applicable to shares that the director needs to transfer to satisfy costs relating to their acquisition or, following prior favourable assessment by the Appointments and Remuneration Committee, to address any extraordinary circumstances that may require this.

Complies Partially complies Explain Not applicable

63. Contractual arrangements should include provisions that permit the company to reclaim variable components of remuneration when payment was out of step with the Director's actual performance or based on data subsequently found to be misstated.

Complies Partially complies Explain Not applicable

64. That payment for the termination or expiry of the contract should not exceed a fixed amount equivalent to two years of the director's total annual remuneration and should not be paid until the company confirms that he/she has met the predetermined performance criteria or conditions for receiving it.

For the purposes of this recommendation, payments for the termination or expiry of a contract should include those payment whose accrual or obligation to pay arises as a result or at the time of the expiry of the contractual relationship that linked the director with the company, including amounts not previously consolidated in the savings systems in the long term and the amounts paid corresponding to post-contractual non-competition pacts.

Complies Partially complies Explain Not applicable

H. OTHER INFORMATION OF INTEREST

1. If there is any other aspect relevant to the corporate government in the company or in the group entities that has not been reflected in the rest of the sections of this report, but is necessary to include to provide more comprehensive and well-grounded information on the corporate governance structure and practices in your entity or its group, detail them briefly.
2. This section may also include any other relevant information, clarification or detail related to previous sections of the report insofar as they are relevant and not reiterative.

Specifically indicate whether the company is subject to corporate governance legislation from a country other than Spain and, if so, include the mandatory information to be provided when different from that required by this report.

3. The company may also indicate if it has voluntarily signed up to other international, industry-wide or any other codes of ethical principles or best practices. Where applicable, the code in question will be identified along with the date of signing. Where applicable, the code in question and the date of accession will be identified. In particular, it will mention whether it has adhered to the Code of Good Tax Practices of 20 July 2010:

Below you will find the content of the issues that could not be addressed in the corresponding paragraphs because they exceeded the maximum size allowed by the CNMV format:

POINT C.1.16 Indicate procedures for selection, appointment, re-election and removal of directors. List the competent bodies, the procedures to be followed and the criteria to be employed in each procedure.

The procedures for selection, appointment, re-election, assessment and removal of directors are regulated in:

- Articles of Association
- The Board of Directors Regulations
- The Policy for Director Selection and Diversity on the Board of Directors.
- Regulations of the Appointments, Remuneration and Sustainability Committee

In accordance with their respective responsibilities, the General Shareholder´s Meeting, the Board of Directors and the Appointments, Remunerations and Sustainability Committee have a role to play in the different procedures.

1. PROCEDURES FOR SELECTION, APPOINTMENT AND RE-ELECTION

The appointment of directors corresponds to the General Shareholders meeting in accordance with the regulations applicable with regard to the proportional representation system, as detailed in article 25 of the Articles of Association.

Furthermore, article 8 of the Board of Directors Regulations establishes that the appointment of Directors will be undertaken at the General Shareholders Meeting or by the Board of Directors itself where this is legally envisaged. This article grants the Board of Directors the duty to ensure that the selection procedures for their members favour diversity, respect matters regarding age, gender, disability or professional knowledge and experience and do not have an implicit bias that may imply any discrimination and, in particular, that facilitates the selection of female directors to allow for a balanced presence of men and women.

The Policy on the Selection of Directors and Diversity on the Board of Directors also establishes that any director may propose candidates for director provided that they meet the requirements laid down in this policy. Likewise, the Company can count on the collaboration of external advisors in searching for and validating candidates for board membership.

The proposals relating to the appointment or re-election of directors, within the limits established in the articles of association, shall be made by the Appointment, Remuneration and Sustainability Committee in the case of independent directors and by the Board itself, subject to a report by the Committee, in the case of the other directors. Any proposals must be accompanied, in any case, by an explanatory report from the Board, assessing the competence, experience and merits of the candidate proposed, and shall include the presence on the Board of a reasonable number of independent directors and shall tend to maintain a majority of directors who are external to management.

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

The preparation of proposals for the appointment or re-election of Board members shall be based on an analysis of the Company's needs, which should be carried out by the Board of Directors with the advice and reporting of the Appointments, Remunerations and Sustainability Committee. In proposals for the re-election of directors, the Appointments, Remunerations and Sustainability Committee will assess the quality of work and dedication to the post during the term of office.

This report by the Appointments, Remunerations and Sustainability Committee on the Company's requirements will be published when the General Shareholders Meeting is called to vote on the ratification, appointment or re-election of each director, either as an independent document or as part of the proposal or report concerning the corresponding candidate.

Candidates for the position of director of the Company should have independent criteria, recognised professional prestige, good character, solvency, competence and experience. In addition, efforts will be made to ensure that, in the selection of candidates, an appropriate balance is achieved in the Board as a whole, which will enrich decision-making and bring a pluralistic viewpoint to the discussion of matters within its competence. Specifically, the following principles should be taken into account when formulating proposals or reports for director candidates:

- a) Principle of honorability and expertise
- b) Principle of sufficient dedication
- c) Principle of diversity
- d) Principle of specialisation

Candidates should also comply with the requirements established in the Company's Articles of Association, in the Regulations of the Board of Directors and in the provisions on good governance, for the suitable performance of a Director's duties and, especially those relating to due diligence and loyalty, always avoiding situations of conflict of interest or incompatibility.

Article 26 of the Articles of Association also establishes that to be appointed as a director it is not necessary to be a shareholder.

The Appointments, Remuneration and Sustainability Committee plays an essential role in the selection procedures for the appointment and re-election of directors. In this regard, article 16 of the Board of Directors Regulations assigns the following functions to this Committee:

- a) Evaluating the skills, knowledge and experience required by the Board and, as a result, defining the functions and abilities required from candidates who are to cover each vacant position and evaluating the amount of time and dedication required for the effective performance of their duties.
- b) Setting a representation target for the least represented sex on the Board of Directors and preparing guidelines on how to achieve this target.
- c) Providing the Board of Directors with proposals for appointing independent directors, for appointment by co-optation or submission for voting at the General Shareholders' Meeting. Submitting proposals for the re-election or removal of these directors.
- d) Providing information on proposals for the appointment of all other Directors for appointment by co-optation or submission for voting at the General Shareholders Meeting, as well as proposals for their re-election or removal by the General Shareholders Meeting.
- f) Examining and organising the succession procedure for the Chairman of the Board of Directors and the Chief Executive Officer and where applicable, to submit proposals to the Board of Directors to ensure that such succession is addressed in an orderly and planned manner.

Article 6 of the Regulations for the Appointments, Remuneration and Sustainability Committee also establishes responsibilities with regard to the composition of the Board of Directors and its committees, the selection, removal and dismissal of directors and the designation of internal responsibilities for the Board of Directors.

DURATION OF THE TERM OF OFFICE:

According to article 26 of the Articles of Association, the term of office for Directors is four years from the date they are appointed. The appointment of Directors will cease when their term of office has ended and the next General Shareholders' Meeting has been held or the period stipulated by law for holding the Shareholders' Meeting to resolve on the approval of the prior year's accounts has passed.

Article 8 of the Board of Directors Regulations establishes that Directors shall hold their posts for the term envisaged in the Articles of Association, and may be re-elected one or more times.

Independent Directors may not be re-elected or appointed for a new term of office under the same classification when they have sat on the Company's Board for a term of twelve (12) years as from the date on which they were first appointed.

Under no circumstances shall the provisions of the foregoing paragraphs limit the power of the Company's General Shareholders' Meeting or, where applicable, the Board of Directors to re-elect or appoint a specific candidate as a director and, where applicable, it shall only affect his/her possible classification as an independent director.

DISMISSAL OF DIRECTORS

The procedure for the dismissal of directors is governed by the following articles of the Board of Directors Regulations:

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

Article 30 - Dismissal of directors.

Directors shall serve at the pleasure of the Board of Directors and if the Board considers it appropriate, they shall tender their resignations in the following cases:

- a) When they become subject to any of the disqualifications or prohibitions set down in law.
- b) When their remaining on the Board could undermine the Company's interests or when the reasons for which they were elected no longer apply.
- c) Directors representing a controlling shareholder will tender their resignations when the shareholder they represent sells a substantial part of its stake.

The Board of Directors may not propose the removal of independent directors before the end of their term of office, unless the Board considers there is due cause following a report to such effect from the Appointments and Remuneration Committee.

Directors must inform the Board should situations arise that affect them, related or not with their actions for the Company and, especially, to inform the board of any criminal charges in which they may be investigated, and their involvement in any subsequent legal proceedings.

When the Board has been informed or become aware in any other way of the existence of any of the situations mentioned in the previous paragraph, the case should be examined as soon as possible, according to the specific circumstances and with a prior report to the Appointments and Remuneration Committee, to determine whether or not any measures should be taken, such as opening an internal investigation, or asking the director to resign or proposing their dismissal. The foregoing will be detailed in a reasoned manner in the Annual Corporate Governance Report, unless there are special circumstances to justify this, in which case they should be confirmed in the minutes.

When a director steps down before the end of their term of office, whether by resigning or on some other grounds, they must explain the reasons for their departure or, in the case of non-executive directors, their opinion on the reasons for the dismissal by the general meeting, in a letter to be sent to all other members of the Board, without prejudice to an account being provided in the Annual Corporate Governance Report to the extent that it is relevant for investors.

Article 31. Directors' duties after dismissal

After leaving upon completion of the period for which they were elected or for any other reason, the directors may not serve at any entity competing with the Company and its corporate group for a period of two years unless the Board of Directors grants dispensation from this requirement or shortens its term.

C.2.1. FUNCTIONS OF THE AUDIT COMMITTEE AND ITS MOST IMPORTANT ACTIONS IN THE YEAR

The Audit Committee is regulated under article 15 of the Board of Directors Regulations, under article 33, paragraph 1 of the Articles of Association, and a specific Regulation for the purpose of promoting the independence of the Committee and establishing the principles for action and operating regime.

Below is an explanation about article 15 of the Board Regulations, regulating, in the broadest sense, its composition, the appointment and dismissal of its members and their principal duties, calling meetings, and formulating and adopting resolutions.

Article 15 - Audit Committee

There shall be an Audit Committee within the Board of Directors, which shall be composed of a minimum of three and a maximum of six members.

The Audit Committee shall be composed solely of non-executive directors appointed by the Board of Directors, the majority of whom must be independent directors, and its members shall be appointed by the Board of Directors, subject to the legal requirements and a report from the Appointments and Remuneration Committee, with due consideration given to the knowledge, skills and experience in accounting, auditing or both, internal control and risk management, both financial and non-financial, of its directors and, above all, its Chairman, and overall, the members of the Committee shall have relevant technical expertise in relation to the sector to which the audited entity belongs.

The members of the Committee shall automatically cease to sit on the Committee when they cease to sit as directors of the Company or at the discretion of the Board of Directors.

Audit Committee members shall appoint a Chairman, selected from the independent directors that form the Committee, who shall be replaced every four years; the Chairman may be re-elected one year after they cease to serve as Chairman.

The Audit Committee will meet whenever convened by its Chairman, by decision of the Board of Directors, or upon the request of the majority of its members.

The Audit Committee shall be quorate with the attendance in person or by proxy of the majority of its members.

Resolutions will be adopted by simple majority vote of the members attending the meeting and the Chairman will have the casting vote.

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

The Audit Committee shall have the power to request the presence of any member of the management team or any member of the Company's staff at its meetings, as well as the presence of the Company's independent auditors or any Company advisor whose presence is deemed advisable. All the aforementioned persons will be bound to cooperate and provide access to any information they may have.

The Audit Committee shall report to the Board on the business it addresses and on all resolutions adopted at the Board meetings convened for such purpose, and shall provide to all directors with the minutes of its meetings.

Notwithstanding other functions set out in the governing legislation, company by-laws or assigned to it by the Board of Directors, the Audit Committee's mission will include the following:

A) Reporting to the General Shareholders' Meeting regarding matters that fall within its remit and, in particular, regarding the result of the audit, explaining how this has helped to ensure the integrity of the financial and non-financial information and the function that the Committee has performed in that process.

B) Proposing the appointment of the auditor to the Board of Directors, which shall then pass the matter on to the General Shareholders' Meeting in addition to the conditions of recruitment.

C) With respect to internal control and reporting systems

(a) Monitoring the efficiency of the Company's internal control, internal auditing and control systems and the financial and non-financial risk management.

(b) Overseeing and assessing the process of preparing and presenting the compulsory financial and non-financial information relating to the Company and its group, ensuring that the system of internal control of financial reporting (ICFR) is correctly designed and that all legal requirements have been met, and defining an appropriate consolidation perimeter, taking into account, among other aspects, possible complex corporate structures, instrumental or special purpose entities, the correct application of accounting standards and presenting recommendations or proposals to the Board of Directors, designed to safeguard their integrity.

(c) Overseeing the process devised by the senior management for instituting lawsuits, making assessments and reaching significant estimates, and the impact thereof on the financial statements.

(d) Review, analyse and discuss the financial statements and other relevant financial and non-financial information with the senior management team and the internal and external auditors so as to ensure that the information is reliable, understandable and relevant, and that the accounting standards and criteria used for the preceding year have been duly followed.

(e) Reviewing the internal control and financial and non-financial risk management systems, including tax risks, so that the main risks may be correctly identified, managed and suitably reported.

(f) Discussing with the auditor any significant shortcomings in the internal control system, detected during the audit, without undermining their independence. For such purposes, where appropriate, they may submit recommendations or proposals to the administrative body and respective period for their follow-up.

(g) Overseeing the internal auditing services, including, in particular:

(i) proposing the selection, appointment, re-election and cessation of the Internal Audit Manager;

(ii) Approving the annual internal audit work plan, ensuring that their activity focuses primarily on the main risks the Company is exposed to; and receiving periodic information on the results of the work performed, including any incidents that may arise. Likewise, receiving an annual activities report and action plan to correct any deficiencies detected;

(iii) Ensuring the independence and efficiency of the internal audit function;

(iv) Proposing the budget for the internal audit area;

(v) Receiving periodic information on its activities, and;

(vi) Verifying that senior management takes into account the conclusions and recommendations set forth in its reports.

D) With respect to the external auditor:

(a) Referring to the Board of Directors the proposals for selecting, appointing, re-electing and replacing the auditor, being responsible for the selection process, pursuant to the provisions of the current regulations and the terms of their recruitment, regularly gathering information from them about the audit plan and its implementation, and preserving their independence in the exercise of their duties.

(b) Ensure that the financial statements finally prepared by the Board are presented to the General Shareholders' Meeting without limitations or qualifications in the auditor's report and in the event that the auditor has included any qualifications in its audit report, issue its opinion on the content and scope of such audits or qualifications, which will be explained by the Chairman of the Committee during the General Shareholders' Meeting.

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

(c) Overseeing compliance with the audit agreement and perform an annual final assessment of the actions of the external auditor, collecting information on the audit plan and its implementation and ensuring that the opinion on the annual accounts and the main contents of the audit report are drawn up clearly and accurately.

(d) Monitoring the decisions of the senior management team regarding any adjustments recommended by the external auditor, and to hear and, where applicable, mediate any disagreements between both parties.

(e) Safeguarding the independence of the auditor, paying particular attention to any circumstances or issues that could jeopardise such independence, including that their remuneration does not compromise their quality or independence, and any others relating to the process of auditing the accounts:

(i) For this purpose, it shall be ensured that the Company publicly discloses to the National Securities Market Commission (CNMV), as a relevant event, any replacement of the auditor and includes a statement regarding any possible disagreement with the outgoing auditor and the details thereof. If the auditor resigns, then it shall explore the underlying causes.

(ii) The Audit Committee shall likewise ensure that the company and the auditor adhere to current regulations safeguarding the independence of the auditors, and those governing the provision of non-audit services and the limits on the concentration of the auditor's business.

(iii) It shall establish a suitable relationship with the auditor to receive information on matters that may jeopardise the auditor's independence, so that it may be examined by the Committee, and any other matters related to the process of performing the audit, and, where necessary, authorise services that are not forbidden by the provisions of the current regulations.

(iv) Ensure that the external auditor has a yearly meeting with the Board of Directors in full to inform it of the work undertaken and developments in the company's risk and accounting positions.

(v) Annually receiving from the auditors their statement of independence in relation to the related party or parties, in addition to a statement relating to additional services provided and the fees received by the external auditor or by the persons and entities related thereto, in accordance with the audit provisions set out in the regulations.

(vi) It shall annually issue, prior to the report on the auditing of the accounts, a report expressing its opinion on the independence of the auditor, containing the valuation of any additional services provided, considered on an individual basis and as a whole, in relation to the status of independence or to the rules governing the audit.

(f) Favour that the Company's auditor assuming responsibility for the audits of the companies that form the group of which it is the parent.

E) Reporting to the Board, prior to the latter making any respective decisions provided for in current regulations, in the Bylaws and in these Regulations, particularly with regards to:

(a) The periodic financial and non-financial information that the Company must publicly disclose, ensuring that it is prepared in accordance with the same standards and practices as those used for the annual accounts and, for such purpose, weighing up the merits of conducting a limited audit of the external auditor.

(b) The creation or acquisition of interests in special purpose vehicles or those domiciled in countries or territories considered tax havens, plus any other similar transactions or operations which, owing to their complexity, might diminish the group's transparency.

(c) Any structural and corporate modification procedures that are planned by the Company and, specifically, their economic conditions and accounting impact and, where applicable, the proposed exchange ratio.

(d) Related-party transactions.

F) Address and, where appropriate, respond to any initiatives, suggestions or complaints raised by shareholders in relation to the Committee's remit.

G) Set up and supervise a mechanism enabling employees to communicate confidentially and, if deemed necessary, anonymously, their concerns regarding possible irregular and potentially significant practices within the company, particularly those relating to accounting, finances and auditing.

H) Monitoring the effectiveness and operation of the compliance system.

The duties of the Audit Committee shall be:

I) Evaluating all aspects of the non-financial risks the company is exposed to, including operational, technological, legal, social, environmental, political and reputational risks as well as those associated with corruption.

J) Coordinate non-financial and diversity reporting processes in accordance with applicable legislation and international benchmarks.

SUMMARY OF THE MAIN ACTIVITIES OF THE AUDIT COMMITTEE IN 2023:

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

The main issues dealt with and analysed by the Committee during the 2023 financial year and that have shaped its main areas of supervision are:

ACCOUNT AUDITING:

In connection with the performance of the audit work the Committee:

- It has supervised compliance with the audit contract, gathering information on the audit plan and ensuring that the opinion of the annual financial statements and the content of the audit report are drafted in a clear and precise manner.
- It has ensured that internal procedures are in place to guarantee that situations do not arise that could give rise to conflicts with the independence and objectivity required from the external auditor, including making sure that their remuneration does not compromise their quality or independence, that the policy to pre-approve services to be provided by the external auditor is complied with, and that the external auditor had access to all the information needed to conduct its work and that it received the greatest possible collaboration from each of the Group's subsidiaries.
- It has been informed of the result of the work performed during the preliminary phase, which involved reviewing pre-closure, and closure, to identify and plan the tasks that, given their uniqueness or impact on accounting, require special attention from the external auditor.

The Committee has verified the representations made by the external auditor as to its independence from the entity or entities related to it.

Following the process of evaluating PWC's performance, it was agreed to submit to the Board of Directors a proposal for its re-election as statutory auditor for the year ending 31 December 2024, which the Board of Directors will submit for approval at the Ordinary General Shareholders' Meeting in 2024.

VERIFICATION OF NON-FINANCIAL INFORMATION:

The Committee has monitored the work of the external auditor, Deloitte, S.L., in order to stay abreast of the work performed and to ensure that there is assurance that the information included in the individual and consolidated management reports, including the statement of non-financial information, is unqualified.

INTERNAL AUDIT:

The Internal Audit department reports functionally to the Audit Committee and, as a result of that relationship, the Committee has analysed and approved the 2023 work plan drawn up by the area, has regularly monitored execution of the same and has received direct reports on any progress and incidents in its implementation.

FINANCIAL AND NON-FINANCIAL INFORMATION:

The Committee has reviewed and analysed the financial statements of Viscofan S.A. and its Group, contained in the annual, half-yearly and quarterly reports, prior to their presentation to the Board and communication to the Comisión Nacional del Mercado de Valores (CNMV), in order to confirm that such information is reliable, understandable and relevant and that accounting criteria consistent with the previous year-end have been followed.

The corporate evolution of the Group has been supervised and the correct application of the accounting principles and practices and the valuation criteria followed in the process of preparing and presenting the mandatory financial information has been supervised, also reviewing the appropriate delimitation of the consolidation perimeter.

The Audit Committee has also monitored the process of reporting non-financial information, the content of which forms part of the Management Report submitted for approval by the General Shareholders' Meeting and its verification by Deloitte, S.L.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS:

The Committee has monitored:

- The quarterly reports on internal control of financial information prepared internally by Internal Audit.
- The Group's risk map, receiving information on the activity performed by the Global Risk Committee.
- The control activities carried out by the Investment Committee and the Credit Risk Committee.
- The monitoring of the tax principles and best tax practices contained in the Group's Tax Policy prior to its consideration by the Board of Directors.
- 2022–2024 Cybersecurity Master Plan risks.

TRAINING:

Four training sessions were held on "Cybersecurity", "Trends in international taxation", "geopolitical trends" and "Corporate Governance (M&A vision)", which were extended to the other members of the Board of Directors.

ETHICS AND COMPLIANCE COMMITTEE:

In this area, it is worth highlighting the supervision of communications received through the Ethics Channel - Integrity Line, which has been updated as a result of Law 2/2023, of 20 February, regulating the protection of persons who report regulatory infringements and the fight against corruption.

RELATED-PARTY TRANSACTIONS:

A report has been prepared on related-party transactions for its publication on the Company's website. In this regard, pursuant to article 231 of the Corporate Enterprises Act, none of the companies forming part of the Viscofan Group have performed transactions with related parties.

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

C.2.1. FUNCTIONS OF THE APPOINTMENTS, REMUNERATION AND SUSTAINABILITY COMMITTEE AND ITS MOST IMPORTANT ACTIONS DURING THE FINANCIAL YEAR

The Appointments, Remuneration and Sustainability Committee is regulated under article 33, section 2, of the Articles of Association, under article 16 and 17 of the Board of Directors Regulations, that identically regulate the composition, form of selection and dismissal of its members and its main functions, and it has its own Regulation for the purpose of favouring the independence of the Committee and establishing the principles for action and the operating regime.

We attach below the content referring to the Board of Directors Regulations as a broader and more complete draft of the duties, procedures, organisation and operational rules of the Appointments, Remuneration and Sustainability Committee.

Article 16 - Appointments and Remuneration Committee, establishes the following:

The Appointments and Remuneration Committee will be formed by a minimum of three and a maximum of six members and will be exclusively comprised of non-executive Directors appointed by the Board of Directors. At least two must be independent directors.

The members thereof shall be appointed ensuring that they have the right balance of knowledge, skills and experience for the functions they are called on to discharge and they shall automatically step down when they cease to serve as Company directors or at the discretion of the Board of Directors.

The Chairman will be selected from the independent Directors that sat on the committee.

The Appointments and Remuneration Committee will report to the Board of Directors on the business it addresses and all resolutions it adopts and will submit the minutes of its meetings to all directors.

The Appointments and Remuneration Committee will have the following functions:

- a) Evaluating the skills, knowledge and experience required by the Board and, as a result, defining the functions and abilities required from candidates who are to cover each vacant position and evaluating the amount of time and dedication required for the effective performance of their duties.
 - b) Setting a representation target for the least represented sex on the Board of Directors and preparing guidelines on how to achieve this target.
 - c) Providing the Board of Directors with proposals for appointing independent directors, for appointment by co-optation or submission for voting at the General Shareholders' Meeting. Submitting proposals for the re-election or removal of these directors.
 - d) Providing information on proposals for the appointment of all other Directors for appointment by co-optation or submission for voting at the General Shareholders' Meeting, as well as proposals for their re-election or removal by the General Shareholders' Meeting.
 - e) Provide information about proposals for appointing and dismissing of senior management and principal conditions of their contracts.
 - f) Examining and organising the succession procedure for the Chairman of the Board of Directors and the Chief Executive Officer and where applicable, to submit proposals to the Board of Directors to ensure that such succession is addressed in an orderly and planned manner.
- The Appointments and Remuneration Committee shall consult with the Chairman of the Board of Directors and the Chief Executive Officer of the Company, especially on matters relating to executive directors.
- Any director may request that the Appointments and Remuneration Committee consider any potential candidates who they believe to be suitable to cover vacancies on the Board.
- g) Propose to the Board of Directors the remunerations policy of the directors and senior officers, as well as the individual remuneration and the rest of the contractual conditions of the executive directors, and ensure its observance.
 - h) Propose to the board the standard conditions for senior officer contracts.
 - i) Monitor compliance with the remuneration policy set by the Company.
 - j) Periodically review the remuneration policy for directors and senior officers, including share-based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other directors and senior officers in the company.
 - k) Ensure that conflicts of interest do not undermine the independence of any external advice the committee engages.
 - l) Verify the information on director and senior officers' pay contained in corporate documents, including the annual directors' remuneration statement.
 - m) "l) Periodically evaluating the effectiveness of the Company's corporate governance system, to confirm that it is fulfilling its mission to promote the interests of the company and catering, as appropriate, to the legitimate interests of remaining stakeholders.

The Appointments and Remuneration Committee will consult with the Company's Chairman and Chief Executive Officer, especially on matters relating to executive directors and senior managers.

The provisions of this article will apply in the event that the Board of Directors decides to establish a separate Appointments Committee and a separate Remuneration Committee.

Article 17 - Sustainability Committee, establishes the following:

The Board of Directors will be able to create a Sustainability Committee or assign the powers and functions relating to environmental, social and corporate governance matters to any of the Committees indicated in the above articles.

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

The Committee assuming these powers and functions will be formed by a minimum of three and a maximum of six members and must be exclusively comprised of non-executive directors, and have at least two independent directors, one of which will be appointed as Chairman. The Committee assuming these powers will include the word "Sustainability" or a similar expression in its name.

In particular, it is the responsibility of the Committee assuming these powers and functions relating to environmental, social and corporate governance matters, in addition to others set forth by the Law and in the Bylaws, as well as the following:

- a) The supervision of the Company's sustainability policy, ensuring that it is geared to value creation.
- b) Monitor sustainability strategy and practices and assess compliance in their respect.
- c) Oversee the Economic-financial and non-financial information communication strategy and relationship with shareholders and investors, including small and medium-sized shareholders and proxy advisers.
- d) Monitor and assess the company's interaction with its stakeholder groups.

SUMMARY OF THE MAIN ACTIONS TAKEN BY THE COMMITTEE IN 2023:

The main issues dealt with and analysed by the Committee during the 2023 financial year and that have shaped its main areas of supervision are:

- With the Committee's encouragement, the process of changing from an executive to a non-executive chairmanship model and the appointment of a First Executive was successfully completed during 2023. In particular:

- Firstly, the re-election of the Chairman as executive director for 2023 was supported by 97.1% of the votes at the General Meeting of Shareholders.
- Secondly, the Committee has drawn up and submitted to the Board of Directors the agreements and contracts required to implement the planned changes.

- The Committee has also promoted and carried out the procedures provided for in legal and internal regulations to fill a vacancy that arose during the year on the Board of Directors and on the Audit Committee.

- In relation to remuneration:

- In compliance with the Spanish Companies Act, the Commission completed in 2023 the proposal for a new Director Remuneration Policy for the years 2024, 2025 and 2026, which was approved by the 2023 Shareholders' Meeting. A large majority of 91.7% of the votes in favour.
- The Committee prepared and submitted to the Board of Directors the proposal for the Annual Report on Directors' Remuneration 2023, which was approved by the General Meeting of Shareholders in 2023 with 95.8% of votes in favour.

- In the area of Sustainability, the Committee has been monitoring the key indicators of the 2022-2025 Sustainability Action Plan on a recurring basis, both environmental (i.e. reduction of CO2 emissions, waste management and reduction of water use), Occupational Health and Safety (accident rate) and the promotion of diversity with the main objective of increasing the number of women in management positions. It has also promoted the setting of new targets and a roadmap for the Net 0 target to be presented during 2024. Finally, the Committee has followed up on the work of adaptation, compliance and preparation, as appropriate, of the requirements derived from the regulations in this area, in particular, with regard to the EU Taxonomy Regulations, the Climate Change and Energy Transition Act of 20 May 2021 and the preparation of the Group for the obligations linked to the new proposal for the Sustainability Directive.

POINT D.6. DETAIL THE MECHANISMS ESTABLISHED TO DETECT, DETERMINE AND RESOLVE POSSIBLE CONFLICTS OF INTEREST BETWEEN THE COMPANY AND/OR ITS GROUP, AND ITS DIRECTORS, MANAGERS AND/OR SIGNIFICANT SHAREHOLDERS OR OTHER RELATED PARTIES.

The duty to prevent conflicts of interest is governed in article 26 of the Board of Directors Regulations. It states the following:

"The directors shall adopt the measures required to avoid situations of conflict with the company interest and with their duties towards the company and its group of companies, and they shall be obliged to inform the Board, prior to occurrence or as soon as they are aware of the existence thereof, with the obligation to immediately resign should the said conflict persist or should their presence on the board be contrary to the company's interests.

Directors shall refrain from discussing and voting on matters in which they have either a direct or indirect interest, even through related parties, except in the resolutions or decisions affecting their capacity as members of the Board under the terms provided for by Law, such as their appointment for or removal from positions within the Board.

Likewise, the directors shall refrain from conducting transactions with the company, except for ordinary transactions, of little importance, made in standard conditions for customers under the terms provided for by Law.

Any conflicts of interest involving the directors shall be included in the annual corporate governance report.

Directors cannot, either personally or through an intermediary, carry out activities or hold positions of any nature in businesses or companies that are currently or potentially competitors of Viscofan and its group of companies; neither may directors act as a representative or consultant to such businesses or companies or perform any other activity that puts them in conflict with the interests of the Company."

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

The duty to abstain is regulated by Article 27 of the Board of Directors Regulations. It states the following:

"Directors must not use the name of the Company or its related companies, or take advantage of their position to conduct transactions for themselves or related parties.

A director's duty to abstain implies not making personal use of the company's assets, including any confidential information received while fulfilling their role as a director and not making any investments or conducting any commercial transactions related to the fulfilment of said role, for their own gain or that of related third parties.

Directors shall abstain from trading - or suggesting that anyone else trades - in the securities of the Company or its related companies, regarding which they have inside information due to the position they hold.

The directors may not take advantage of the business opportunities of the Company and its related companies, obtain advantages or remuneration from third parties, except for mere courtesy services in compliance with current internal regulations."

Moreover, both the duty of loyalty and the duty to avoid conflicts of interest extends to related persons, whose definition is established in Article 28 of the Board of Directors Regulations. Related persons.

"The director's duty of loyalty, of avoiding conflicts of interest and duty to abstain in their various facets, also covers those activities performed by related parties, based on the definition set forth in the Law."

Article 34 of the Board of Directors Regulations states the following regarding duties in relation to significant shareholders:

"Directors acting on behalf of major shareholders shall ensure that the aforesaid obligations of directors are extended to the shareholders, in addition to any legal obligations and those set out in the Articles of Incorporation.

Any transactions performed with these major shareholders shall be approved by the Board in a plenary session and must be included in the Company's annual report and in the annual corporate governance report and comply with the current legislation."

Lastly, Article 36 of the Board of Directors Regulations, regulating the use of voting by proxy, reads as follows:

"Directors who have made public requests for representation may not exercise their voting rights pertaining to the represented shares in relation to the business on the agenda in which they have a conflict of interests and, in all cases, in relation to:

- a) Their appointment, ratification, removal or resignation as a director.
- b) The bringing of an action for liability against him/her.
- c) The approval or ratification of transactions with the company in relation to which the director has a conflict of interests."

In addition, the Viscofan Group's Code of Conduct, among its general ethical principles, establishes that the administrators, directors and employees of the Viscofan Group, as well as any person who carries out their professional activity in the Viscofan Group, must act under the principle of transparency in the face of conflicts of interest:

"It is our duty to do business in the best interest of Viscofan and not based on our personal interests. A conflict of interest arises when, in the course of our professional activity at Viscofan, our private interests may collide with those of Viscofan.

We must inform our line manager or the Human Resources Department of any private interest we may have in connection with the performance of our professional duties. Our manager or the Human Resources Department must report any conflict of interest in their area of responsibility to the Ethics and Compliance Committee. Through their identification and declaration, which will normally lead to refraining from participating in the decision-making process, independence of judgement is preserved and the risk of fraudulent or corrupt actions is avoided.

We are not permitted to use for our contracts or orders of a personal or private nature companies with which we have a business relationship as part of our Viscofan activity if this could result in a personal advantage in the contract or order. This is particularly applicable if we exercise or may exercise direct or indirect influence over whether or not that company receives contracts from Viscofan."

POINT E.5 STATE WHAT FINANCIAL AND NON-FINANCIAL RISKS, INCLUDING TAX-RELATED RISKS, HAVE OCCURRED DURING THE FINANCIAL YEAR.

Below follows the risks that have materialised with a more significant impact during the financial year and their response plan:

1) Financial risks

1.1) Exchange rate: Exchange rate fluctuations, especially the appreciation of the Euro against the US\$, have a negative impact on the Group's results, which has been managed through the application of a hedging policy and commercial discipline measures.

1.2) The increase in interest rates, derived from the monetary policies implemented by the main Central Banks worldwide with the aim of combating inflation, has generated an increase in financing costs. Viscofan strategically addresses interest rate risk by managing a balanced portfolio of loans and receivables, both at fixed and floating rates. The Group's policy is to maintain between 50% and 85% of its loans at a fixed interest rate.

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED CORPORATIONS

2) Environmental risks and those resulting from climate change:

2.1) High cost impact associated with the price of CO2 emission allowances and increased regulatory requirements in the area of sustainability. The Response and Supervision Plan for this risk includes:

- The deployment of a sustainability strategy and plan, together with the corresponding Policies approved by the Board of Directors and the creation of a committee to manage sustainability risks that include environmental risks and those resulting from climate change.
- As part of its decarbonisation plan, Viscofan has installed energy equipment with green hydrogen capacity and has performed various tests with this renewable fuel source in the equipment installed at the Cáseda plant in Spain. Also, an energy diversification strategy beyond natural gas has been promoted that includes greater electrification of the energy supply with renewable energy.
- The Group is also evaluating the implementation of the Net Zero greenhouse gas emissions commitment based on the Science Based Target Initiative.

3) Operational risks: commodities, transport and energy.

3.1) Increase in the cost of raw materials: In the previous years, interruptions in manufacturing and consumer activity, together with transport interruptions, caused a shortage of raw materials and basic products worldwide, leading to high inflation in the main raw materials used by the Group in the production process. In 2023, this inflationary spiral has continued for some of these raw materials.

To offset the impact of the increase in operating costs Viscofan has implemented price increases to customers. In addition, the Group has taken other measures such as detailed monitoring of costs, needs and the risk of non-availability, the search for diversification of suppliers, and a plan to reduce consumption.

3.2) The cost of natural gas has increased significantly in Spain in 2023.

Against this background, Viscofan has implemented price increases to customers and energy efficiency measures to offset part of the impact of energy costs. In parallel, the Group has carried out a detailed analysis of energy needs, the examination of various scenarios, and has promoted projects aimed at energy diversification in operations.

Looking ahead to 2024, in an environment of more favourable natural gas costs, the Viscofan Group has entered into purchase contracts with a fixed price for a portion of its natural gas consumption.

3.3) Production stoppages at the Danville plant (USA) as a result of power outages caused by the electricity company with an impact of 1.9 million euros.

Measures are being planned for better energy management of the plant and investments in equipment as support alternatives for the energy supply. Likewise, a lawsuit has been filed against the electricity company claiming damages in the amount of 6 million US dollars (USD) derived from negligent maintenance of the electrical substation that has caused the plant to stop.

4) Regulatory.

The European Commission's ban of 8 April 2022 continues. The ban, in response to Russia's actions destabilising the situation in Ukraine, is justified by the fact that the use of these casings instead of the traditional alternative of animal casings improves the capacities of the industry in Russia, and resulted in the Board of Directors of Viscofan S.A. adopting the decision to discontinue the activity of exporting casings to Russia.

In this situation, work continues, within Viscofan's risk control and management system, on commercial and operational mitigation measures to offset this impact.

5) Competition and market environment. Decrease in demand.

In 2023, the market was influenced by the process of inventory adjustment in the meat industry, leading to a decrease in volumes in the casings market. Viscofan, as a market leader, has not been immune to this global trend, which resulted in declines in sales volumes during the year.

In this situation, tasks have been carried out to monitor the evolution of the main affected markets, maintaining disciplined commercial policies to prevent harm to the financial profitability goals. In parallel, the company has strengthened the specific projects aiming to improve levels of service and quality involving increased protection of the market share in adverse scenarios.

This annual corporate governance report was approved by the Board of Directors of the Company at its meeting of:

**ANNUAL CORPORATE GOVERNANCE
REPORT OF LISTED CORPORATIONS**

[29/02/2024]

Indicate whether any board members voted against or abstained from voting on approving the present Report.

- Yes
- No