

2.2.2. Regulatory compliance system

Viscofan considers that integrity and transparency contribute directly to achieving its objectives and managing its business in a sustainable manner. To ensure this, it has an ethics and compliance system whose objectives are to promote an ethical culture in the organisation that strengthens its competitiveness and sustainability in the long-term, reputation and ensures compliance with the regulatory system by all employees. This system has elements in place to Prevent, Detect and Respond to potential risks with a negative impact on the Group.

The prevention system is based on internal regulations, consisting of a Code of Conduct indicating ethical principles and behavioural guidelines, complemented by internal operational policies and procedures.

Code of Conduct

The Code of Conduct contains a set of binding principles and guidelines for each and every person in the Viscofan Group to guide actions and behaviour within the company and in relation to our shareholders, customers, suppliers and society in general, in accordance with Viscofan's corporate ethics, as well as local, national and international laws and regulations.

The Code of Conduct in force in the Viscofan Group was approved by the Board of Directors in January 2022 following a favourable report from the Audit Committee at the proposal of the Ethics and Compliance Committee, replacing the Code of Conduct in force to date.

One of the functions of the Board of Directors is to ensure the correct application of this Code of Conduct, with the collaboration of the Ethics and Regulatory Compliance Committee, which supervises and monitors compliance with the Code and reports on a recurring basis to the Audit Committee.

Internal Regulations in the scope of good governance policy

The internal rules governing the aforementioned bodies, and which complements the applicable regulations in order to guarantee an adequate corporate governance system in the Viscofan Group is available on the Company's website within the Corporate Governance section, in addition to the mandatory publications and registration on the website. of the CNMV and in the Commercial Registry of Navarra, respectively.

These internal regulations are mainly formed by the regulations of social bodies and committees:

- **Articles of Association:** These are the basic rules governing the Company and all its bodies. The articles set out the main features and operating principles of the General Shareholders' Meetings, the Board of Directors, and its committees.



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- **Regulations of the General Shareholders' Meeting:** This text lays down the regulations governing the General Meeting of Shareholders to ensure transparency and safeguard shareholders' rights, and their access to Company information. The rules stipulate the formalities of calling, attending, and recording General Meetings of Shareholders and of access to prior and General Meeting information by shareholders.

- **Regulations of the Board of Directors:** These set down the principles of action of the Board of Directors, including an appraisal mechanism, and its organisational and operating rules, the standards of conduct of Directors (including the duty to avoid conflict of interest), and the overarching principles that should guide their decisions. They also regulate committees existing within the Board of Directors, their organisational and operational rules, and their mission and powers.

- **Audit Committee Regulations and Appointments, Remunerations and Sustainability Committee Regulations:** These establish the scope and functions of each Committee, its composition and operation, relations with government bodies and other entities, as well as the possibility of requesting advice.

- **Internal code of conduct on matters relating to the securities market:** This Code lays down rules of conduct to ensure that the institutional and personal acts of the Viscofan Group's directors and employees strictly comply with current laws and regulations on transparency in the markets and to protect investors' interests.



Hence, within the regulatory compliance system, the Viscofan Group has approved procedural policies in the following areas:

Good governance

- General sustainability policy
- Climate change policy
- Risk management and control policy
- Policy of Respect for Human Rights
- Anti-corruption policy
- Crime prevention policy
- Policy of communication with shareholders, institutional investors, proxy advisors and of economic-financial and non-financial and corporate information
- Board remuneration policy
- Director selection and diversity policy of the Board of Directors
- Policy to encourage shareholders to take part in the General Meeting of Shareholders: attendance fee
- Internal rules of conduct in securities market matters
- Information management procedure
- Internal publication procedure

Commercial

- Commercial Practices Manual
- Policy to outsource commercial services: distributors, agents and others
- Export control protocol

Financial and tax resources

- Internal control policy for financial and non-financial information
- Tax policy
- Transfer prices manual

Information and systems

- Personal Data Protection Policy
- IT security policy
- Confidentiality policy
- Authorisation policy on computer access and profiles
- Password policy
- Computer systems and networks management policy
- Policy on audiovisual information control

People

- Diversity and equal opportunities policy
- Policy on Staff Selection and Recruitment
- New employee integration policy
- Training policy
- Severance procedure
- Authorization policy
- Policy on Business Expenses
- Travel Code

Production

- Environmental policy
- Occupational health and safety policy
- Food Regulation Policy
- Control procedure instructions in the event of product recalls
- Policy for the management of goods purchases and the arrangement of services
- Transport management policy
- Code of conduct for suppliers and intermediaries
- Corporate management policy
- Animal protection policy (approved in January 2024)



To facilitate supervision of compliance with Viscofan's Code and Ethics

and regulations, employees and any person with a legitimate interest can access the Ethical Channel on Viscofan's web page under the Corporate Governance section, on the employee's Intranet or by email.

Supervision and management bodies

The Ethics and Compliance Committee is the body in charge of overseeing and supervising the proper implementation and monitoring of the Group's Compliance System, as defined by the Board of Directors.

Likewise, the Audit Committee supervises the effectiveness and operation of the Ethics and Regulatory Compliance Committee and, for this purpose, its receives regular information on compliance with the Internal Code of Conduct in matters relating to the Securities Market and the Code of Conduct, and in particular, regarding the complaints channel.

At the recommendation of the Ethics and Regulatory Compliance Committee and subject to a report by the Audit Committee, the Board of Directors approved 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 to ensure that all local employees, technicians, and managers receive ongoing training.

Ethical channel – Integrity line

The ethical channel is a key element of the system and has been modified during the year to adapt it to law 2/2023 of 20 February 2023, regulating the protection of people who report regulatory infractions and in the fight against corruption.

To facilitate supervision of compliance with Viscofan's Code and Ethics and regulations, employees and any person with a legitimate interest can access the Ethical Channel on Viscofan's web page under the Corporate Governance section, on the employee's Intranet or by email to officeofethics@viscofan.com or by post to the Ethics Committee at Viscofan's central offices (Berroa Polígono Industrial, C/Berroa 15-4 floor, 31192 Tajonar-Navarra, Spain) to notify any sign of conduct that they deem to be a possible risk.

The Committee is the body responsible for commencing, on its own account or at the request of a third party, an investigation on events or practices that may give rise to a situation of risk for the Viscofan Group because of a breach of the Viscofan Group's Code of Conduct or prevailing regulations.

In 2023, 19 complaints were received, 18 of which were filed, and on one occasion, following the processing of the corresponding file, was a breach of internal regulations proven, with the competent bodies proposing and adopting the necessary rectification measures. The Ethics and Regulatory Compliance Committee has met on 9 occasions.

Training and dissemination

It is the first and one of the most important default prevention strategies, empowering people to do the right thing in a proactive way.

Without prejudice to the role of the Ethics and Compliance Committee at corporate level, as the body responsible for the management of the System and the specific training plans it promotes, given the importance of adapting to the needs and local culture of the different countries in which the Group operates, the role of the Local Ethics and Compliance Officers is essential. They plan and develop the necessary training and communication actions at local level, with the support and monitoring of the Ethics and Compliance Committee.

In this respect, Viscofan understands that training in human rights is a fundamental tool for raising employees' awareness in this area. The breakdown of the number of hours of training in this area is as follows:

Dedicated human rights training	2023			2022		
	Men	Women	Total	Men	Women	Total
Training hours	1,739	846	2,585	2,624	915	3,539
% of total training hours	3.1%	3.3%	3.2%	6.1%	3.7%	5.2%

Additionally, in 2023, to reinforce awareness and knowledge of regulatory compliance, specific training was provided in different areas:

- Training the entire staff in the ethical channel.
- Training the entire staff on the Regulatory Compliance System, in specific matters such as conflict of interest, anti-corruption, additional ethical channel, and protection of personal data.

Financial and non-financial information control system

It is based on the Policy of the internal control system for financial and non-financial information approved by the Board of Directors in 2020, which requires that internal control systems provide reasonable assurance of the reliability of financial and non-financial information. This system is based on best practices and international standards, based on those established in the COSO report, as well as compliance with legal requirements.

Viscofan must respond to a growing and more frequent demand for information of a non-financial nature (sustainability), ensuring that it is truthful and complete. For this reason, in 2023, Viscofan has carried out the design and implementation of an internal control system for non-financial information.

The financial and non-financial information control systems have been integrated into SAP GRC, a unique environment that allows automating and computerising the assurance of information processes.



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