

Ence Energía y Celulosa, S.A.



NAME

ENCE GROUP CORPORATE FISCAL POLICY

VERSION

V2

CODE

CO F PO 01

**APPROVED BY AND
DATE**

Approved by the Board of Directors on the 5th of May 2023

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The Board of Directors of Ence Energía y Celulosa S.A. (hereinafter “the Company” or “ENCE”) is empowered to formulate the Company's tax strategy, determine its tax risk control and management policy and approve its Corporate Policies.

In exercising these functions, in June 2018 the Board of Directors approved the Corporate Fiscal Policy (the “Policy”) which forms part of the Corporate Governance and Regulatory Compliance Policies and which sets out the tax strategy of the Company and the group of which it is the parent company, and the general commitment of compliance, development and implementation of good practice in tax matters. Likewise, in exercising these functions, this Policy will be updated through this document.

Additionally, and in compliance with its control and monitoring duties, the Audit Committee supervises the effectiveness of the Company's internal control and the internal control and tax risk management systems of ENCE and its subsidiary companies (hereinafter, “ENCE Group”).

I. Objective

The tax strategy of ENCE mainly consists of ensuring compliance with tax regulations applicable in all the territories in which it operates in line with the activity carried out in each one of them. This key objective of respect for and compliance with tax regulations is appropriately combined with ensuring public interests and generating value in a sustained manner over time for shareholders, avoiding tax risks and inefficiencies in the execution of business decisions.

II. Scope and Validity

The Policy applies at all companies that make up the ENCE Group, understood as being all entities directly or indirectly controlled by ENCE, due to having the majority of economic or political rights, and with regard to the activities, processes, projects, products and services of the lines of business of ENCE Group in all geographic regions in which it operates.

Likewise, at the ENCE Group investee companies where this Policy does not apply, where possible and through the decision making bodies of the respective companies, the Group will promote the application of the principles, values and standards set out in it.

This Policy is subject to being developed through various internal standards and procedures, and is leveraged on the corresponding due diligence procedures and the rest of the standards that make up the Risk Management and Control System of ENCE Group.

The ENCE Board of Directors will periodically review compliance with the principles and good practices contained in this Corporate Fiscal Policy and will check that it is duly updated based on the needs that may be identified in the future, in accordance with tax regulations in effect and other standards which may apply to the Group. This regulatory framework will have an indefinite duration.

III. Basic principles of action

ENCE Group's compliance with its tax obligations and its relationships with the Tax Authorities will be governed by the following principles:

1. **Principles of legality.** ENCE Group expressly undertakes to comply with tax regulations in all the territories in which it carries out its business activities, promoting responsible taxation and encouraging the prevention of and fight against tax fraud.
2. **Principle of prudence.** ENCE Group commits to adopt tax decisions based on a reasonable interpretation of the applicable legislation and the activity of ENCE Group, preventing and avoiding significant tax risks.
3. **Principle of collaboration.** ENCE Group will foster a relationship with the tax authorities based on respect for current legislation, professionalism, collaboration, reciprocity and good faith.
4. **Information for administrative bodies.** The Audit Committee will be commissioned with informing the Board of Directors of the main tax implications of the operations submitted for its approval, when it considers them to constitute a significant factor for forming its opinion, or a foreseeable significant risk, as well as on ordinary periodic tax information.
5. **Principle of contribution.** ENCE Group will contribute through responsible tax action to the support of public charges in those territories in which it operates through the payment of its taxes, which is therefore one of its contributions to Society.

IV. Good Tax Practices

The implementation of the aforementioned principles will be carried out through the application of the tax practices set out below, which are in line with those of the Code of Good Tax Practices.

With the aim of incorporating the aforementioned general commitments of compliance, development and implementation of good tax practices into the ENCE Rules of Corporate Governance, the Company and Group of companies undertake the following practices:

a) Tax risk prevention

ENCE Group commits to developing the following tax practices:

1. Encouraging practices aimed at preventing and reducing significant tax risks,
2. Reducing conflicts arising from the interpretation of the applicable regulations through the use of instruments established for this purpose by the tax systems,
3. Avoiding the use of opaque structures, these being understood as those intended to impede the competent Tax Authorities from knowing who is ultimately responsible for the activities or the ultimate holder of the assets or rights involved, or artificial structures outside of the

activities of ENCE, with the objective of reducing its tax burden, as well as the purchase of companies residing in tax havens for tax reasons.

4. Not establishing or purchasing companies residing in tax havens or countries included on the list of non-cooperative jurisdictions of the European Union, for the purpose of circumventing tax obligations.
5. Ensuring compliance with tax obligations in time and form, presenting its taxes appropriately, with all pertinent information and in accordance with the applicable regulations, and paying in due form and time all taxes demandable in accordance with applicable laws.
6. Undertaking for their normal market value, transactions between affiliated entities and complying with the obligations of documentation on transfer prices established by tax legislation.
7. Providing customers and suppliers in a transparent, clear and responsible manner with relevant information for the fulfilment of their tax obligations.
8. Making available to potential interested parties the necessary reporting channels allowing communication of conduct which may involve any irregularity or any action contrary to the law or the governance and sustainability System being committed, including the operating standards established in the Code of Ethics, and as a result, tax matters.

b) Relationships with Tax Authorities

The Company's relationships with the competent Tax Authorities will be based on the principles of transparency, good faith, cooperation and mutual trust, ENCE Group committing to the following good tax practices:

1. Collaborating with the competent Tax Authorities to seek solutions regarding fraudulent tax practices that may be carried out in the markets in which the Company is present and of which ENCE has knowledge, to contribute to eliminating those already existing and preventing their extension.
2. Providing the information and documentation related with taxes requested by the competent Tax Authorities in the shortest possible time and to the fullest extent.
3. Making use of all the possibilities offered by the inspection procedure, and, notwithstanding the legitimate defence of the social interest, seeking agreement with the competent tax administrations in the procedural phases in which this is feasible and reasonable.

c) Information for the Board of Directors

The ENCE Group Corporate Tax team, assisted by tax advisors, will inform the Board of Directors, through the Audit Committee, of the following on at least a weekly basis:

1. The tax policies and criteria applied by the Company during the year, and in particular, on the degree of compliance with this Policy.
2. The tax consequences and implications of the operations or matters which must be submitted for approval by the Board of Directors, provided that they constitute a significant risk factor.
3. Pertinent regulatory changes and their potential impact on the operations of ENCE Group.

V. Application of the Policy in the framework of the corporate and governance structure of the Group

In accordance with the configuration of the corporate and governance structure of the Group, application of this Policy will be governed by the following principles:

With regard to ENCE

The ENCE Board of Directors, through the information provided by the Audit Committee, through its President and Managing Director, and the members of the management team, will promote the monitoring of the principles and good tax practices contained in this Policy by the companies which make up the Group, whose activities are significant in the field of taxation.

With regard to the rest of the companies of ENCE Group

The subsidiaries of ENCE Group that have independent management teams will take responsibility for determining, organising, coordinating and supervising, in the respective territories or businesses in which they operate, compliance with tax regulations, as well as respect for the principles and good tax practices listed in this Policy.

Specifically, the administrative bodies of the companies of the Group will ensure compliance with this Policy.

VI. Monitoring and control

ENCE will adopt the necessary control mechanisms to ensure, as part of proper business management, compliance with tax regulations and the good practices indicated above by all ENCE Group companies.

In accordance with the corporate structure and corporate governance of ENCE Group, the following participate in the definition, monitoring and application of this Policy:

- The Board of Directors as the body in charge of: defining the corporate fiscal policy and strategy, as well as ensuring compliance with it, for this purpose establishing the management, control and monitoring systems necessary.
- The Audit Committee, which based on its powers will take on the functions of monitoring the efficacy of internal control of the Company, internal auditing and risk management systems, including tax risks.

In this regard, the Audit Committee will provide the Board of Directors with information on the tax policies and criteria applied by the Company during the financial year, and in particular, on the degree of compliance with this Policy.

Likewise, in the case of transactions or matters that must be submitted to the Board of Directors for approval, it will report on their tax consequences when they are a relevant factor.

- The Directorate General for Finance, through its Corporate Tax team, has been assigned the function of adopting the monitoring and control mechanisms necessary for ensuring compliance with tax regulations, as well as the general principles and good practices established in this Policy and is responsible for managing the taxation of the Group, leading and monitoring the action of the tax teams in all business areas, ensuring the development of tax risk control mechanisms which allow compliance with applicable regulations.

To do so it will have the material, functional and qualified human resources required for the purpose of compliance with the principles established in this document. In this regard, ENCE has a team of external advisors as well as specialised internal personnel who contribute to the definition and implementation of the control mechanisms.

The areas in which the Group will request external tax advice may be the following, among others:

- Investments, corporate operations or restructuring operations.
 - Transfer prices.
 - Tax planning.
 - Recurring issues in the ordinary businesses of the Group.
 - Tax compliance.
 - Any other area requiring it due to particular tax significance for the Group
- All personnel responsible for the different areas and businesses must act in accordance with this Policy, promoting a relationship framework with the Corporate Tax team, facilitating the management of tax matters and compliance with internal standards developed by this Tax team.

VII. Transparency

The content of this document will be adequately distributed within ENCE Group so as to guarantee that all its employees with responsibility or exposed to tax risks are aware of it, being able to use the intranet or any other means considered most appropriate to do so.

The ENCE annual corporate governance report will report on the functioning of the risk control system in which the tax risks are integrated.

Additionally, in compliance with ENCE's commitment to transparency in relationships and in communication with its Stakeholders, through the "Sustainability Report" it will circulate the most pertinent information on the performance of the Group's companies in tax matters and its tax contribution to the support of public charges in the main countries and territories in which it operates, ensuring that the information is clear, useful and accurate.

This Policy will be circulated through its incorporation on the ENCE corporate website.

VIII. Accountability

Non-compliance with or disregard for this Standard may entail the adoption of disciplinary actions (in the work environment) or contractual actions (in commercial relationships with third parties) that the Group deems appropriate.