APPENDIX I:

Template and statistics on the Annual Report on Director Remuneration under Circular 4/2013, of the CNMV

ANNEX I TEMPLATE
ANNUAL REPORT ON DIRECTOR REMUNERATION OF LISTED COMPANIES

ISSUER IDENTIFICATION DETAILS

YEAR END-DATE	31 December 2023
TAX ID (CIF)	A-28212264

Company name:
ENCE ENERGIA Y CELULOSA, S.A.

Registered office:
BEATRIZ DE BOBADILLA, 14 PLANTA 4ª MADRID

ANNUAL REPORT ON DIRECTOR REMUNERATION OF LISTED COMPANIES

A REMUNERATION POLICY OF THE COMPANY FOR THE CURRENT FINANCIAL YEAR

A1.1. Explain the current director remuneration policy applicable to the year in progress. To the extent that it is relevant, certain information may be included in relation to the remuneration policy approved by the General Shareholders' Meeting, provided that these references are clear, specific and concrete.

Such specific determinations for the current year as the board may have made in accordance with the contracts signed with the executive directors and with the remuneration policy approved by the General Shareholders' Meeting must be described, as regards directors' remuneration both in their capacity as such and for executive functions carried out.

In any case, the following aspects must be reported, as a minimum:

a) Description of the procedures and company bodies involved in determining, approving and applying the remuneration policy and its terms and conditions.

b) Indicate and, where applicable, explain whether comparable companies have been taken into account in order to establish the company's remuneration policy.

c) Information on whether any external advisors took part in this process and, if so, their identity.

d) Procedures set forth in the current remuneration policy for directors in order to apply temporary exceptions to the policy, conditions under which those exceptions can be used and components that may be subject to exceptions according to the policy.

The directors' remuneration policy in force for the current year is that approved by the 2023 General Meeting (hereinafter, the "Policy"), applicable from its approval until 31/12/2026, without prejudice to any adaptations or updates that the board may carry out in accordance therewith, and any amendments that may be approved by the General Meeting from time to time.

The Policy regulates the following aspects: Principles, Summary of the main changes from the previous policy Remuneration of executive directors and directors in their capacity as such, Process for determining, reviewing and implementing the Policy, Actions taken to align the Policy with the Company's long-term objectives, values and interests and Term.

The Policy is regulated in the Articles of Association and in the Regulations of the Board. Specifically, article 17.2.j) of the Regulations establishes as a basic responsibility of the Appointments and Remuneration Committee ("CNR") the proposal to the Board of the system and the amount of the annual remuneration of directors and senior executives, as well as the other basic conditions of the contracts of the directors and their individual remuneration, ensuring compliance with the remuneration policy established by the company.

Based on the above, the CNR proposes the Policy to the Board, which submits it to the Meeting for approval.

The functions performed by the aforementioned bodies of the company involved in the review, determination and approval of the Policy are set out below:

The Board is responsible for approving: the Policy at least every three years, the maximum amount of annual remuneration for all directors in their capacity as such, variable remuneration systems for directors that include the delivery of shares or stock options or remuneration linked to the value of the shares.

Board of Directors: with respect to directors in their capacity as such, it approves the distribution among different items of the maximum amount approved by the General Meeting, with respect to executive directors, it approves the fixed remuneration and the main conditions of the short and long-term variable remuneration systems, approves the contracts regulating the performance of the duties and responsibilities of the executive directors, reviews the proposals for adaptation, updating or approval of the Policy to be submitted for the approval of the Board, approves the annual report on directors' remuneration (''IARC'') to be submitted to the advisory vote of the Board.
CNR: proposes to the Board the distribution, among the different items, of the maximum amount approved by the Board, proposes to the Board the fixed remuneration of the executive directors and annually reviews the conditions of variable remuneration to be approved by the Board, proposes to the Board the contracts regulating the performance of the duties and responsibilities of the executive directors and proposes to the Board the approval of the Directors' Remuneration Report, and where appropriate, of the Policy, its adaptations or updates.

In carrying out the above functions, the CNR may be assisted by independent external consultants and remuneration experts and shall ensure that any conflicts of interest do not impair the independence of the advice given to the CNR. Sustainability Committee: Regarding long-term variable remuneration, the Committee prepares, in accordance with the Sustainability Master Plan, the proposal of the sustainability objectives to be approved by the Board of Directors. In addition, other areas of the Company are also involved in the process of determining, reviewing and applying the Policy:
Planning and Control Department: It elaborates the report on the degree of achievement of operational, business, financial and non-financial objectives, based on the results audited by the Company's internal and external auditor.
Internal Audit Department: It drafts a report on the correctness of the data and calculations made in relation to the annual target indicators, their quantification and the degree of achievement for each target.
General Secretary: It prepares formal Policy documentation for submission to the CNR and the Board.
-It prepares, with the Human Capital Department, the annual report on Directors' remuneration.
Without prejudice to the foregoing, throughout this report, the procedures and mechanisms applied by the CNR and by the board to determine the sums received by the directors.
Both the Policy and the IARC are permanently available on the corporate website www.ence.es
For the preparation of the Policy, the CNR has considered a multi-sectoral group composed mainly of companies with a parent company in Spain, mainly linked to the industrial and/or energy sector, comparable in terms of size regarding turnover, volume of assets, capitalisation and number of employees.
The Company has been advised by independent external counsel from the renowned firm Willis Towers Watson. There are no procedures for applying temporary exceptions to the Policy
The CNR at its meeting of 26/02/2024 reported favourably on the proposed setting of targets in relation with the CEO's short-term variable remuneration for the 2024 financial year, which was approved by the board on 29/02/2024.

A1.2. Relative importance of variable remuneration items vis-à-vis fixed remuneration (remuneration mix) and the criteria and objectives taken into consideration in their determination and to ensure an appropriate balance between the fixed and variable components of the remuneration. In particular, indicate the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and to align it with the long-term objectives, values and interests of the company, which will include, as the case may be, mention of the measures taken to ensure that the long-term results of the company are taken into account in the remuneration policy, the measures adopted in relation to those categories of personnel whose professional activities have a material impact on the risk profile of the company and measures in place to avoid conflicts of interest.

Furthermore, indicate whether the company has established any period for the accrual or vesting of certain variable remuneration items, in cash, shares or other financial instruments, any deferral period in the payment of amounts or delivery of accrued and vested financial instruments, or whether any clause has been agreed reducing the deferred remuneration not yet vested or obliging the director to return remuneration received, when such remuneration has been based on figures that have since been clearly shown to be inaccurate.

The consistency of the Remuneration Policy with the Company's long-term strategy, interests and sustainability is based on the following:

• The Remuneration Policy is designed to be consistent with the company's strategy and long-term performance orientation:

(i) Executive directors' remuneration is composed of different remuneration elements, mainly fixed remuneration, short-term variable remuneration and long-term variable remuneration.

(ii) Regarding the metrics established, the Short-Term Variable Remuneration sets specific and quantifiable financial and non-financial objectives, linked to the Company's social interest and sustainable growth. Long-term Variable Remuneration is linked to objectives that are directly related to the growth of the company, the generation of shareholder value and focuses specifically on the working environment and sustainability.

(iii) Long-term variable remuneration schemes are part of a multi-annual framework, of at least 3 years, to ensure that the evaluation process is based on long-term results and takes into account the Company's underlying economic cycle. This remuneration is awarded and paid in the form of shares based on value creation, so that the interests of the Directors are aligned with those of the shareholders.

(iv) Shares delivered under the Long-Term Variable Remuneration to the chief executive officer will be subject to a 3-year holding period as long as the permanent shareholding requirement (2 annuities of the Fixed Remuneration) is not reached.

• Balance between fixed and variable remuneration components.

The variable remuneration system is flexible and allows that in case of non-achievement of minimum performance levels, no variable remuneration is paid, and is therefore not guaranteed. The percentage of short- and long-term variable remuneration can be relevant if the maximum level of target achievement is reached.

• Moreover, measures that help to avoid excessive risk-taking and foster a culture of commitment to objectives include:

(i) The corporate governance system, internal regulations and control and compliance systems, which set oversight mechanisms and checks and balances to prevent the concentration of decision-making power in areas that may involve a high degree of risk.

(ii) The Annual Variable Remuneration is paid after the date of drafting and auditing the annual accounts and after determining the achievement degree of the objectives.

(iii) The CEO's contract incorporates malus and clawback clauses. In accordance with the provisions of the Remuneration Policy:

The total compensation of the Executive Directors is made up of different remuneration items, which mainly consist of: (i) a fixed remuneration, (ii) a short-term variable remuneration, (iii) a long-term/multi-annual variable remuneration, (iv) assistance benefits, and (v) remuneration in kind.

The relative importance (remuneration mix) of each of these components in 2023 is detailed in section B.4 of this report.

The chief executive officer's remuneration package is mainly biased towards variable remuneration, both short and long term, so that most of the total remuneration is received only if the targets set in the short and long term variable remuneration are met. This remuneration structure is consistent with the principle of "linkage between remuneration and performance" which establishes that a significant part of the total remuneration of executive directors is linked to the achievement of financial, business, stakeholder value creation and non-financial objectives, including ESG ("Environmental, Social & Governance") objectives.

The remuneration of Directors in their capacity as members of the Board of Directors and its committees consists of a fixed allowance and allowances for attendance at meetings (except for the Chairman of the Board and of the executive committee who do not receive allowances), as well as the possibility of receiving other remuneration consisting of different types of insurance (life insurance, accident insurance, healthcare). Non-executive Directors are not expected to receive variable remuneration.

The determination of the variable remuneration targets for 2024 for the CEO, approved by the Board and reported favourably by the Appointments and Remuneration Committee, which is referred to in greater detail in section A.1.6 of this report, includes quantifiable and measurable metrics that reflect the company's value drivers and at the same time ensure the company's sustainability in the long term. In this sense, the annual targets are linked to the Company’s growth, to the operational execution, to the generation of cash, to the fulfilment of parameters of environmental behaviour, and those related to people, their safety, and the organisational climate. All of them, as a whole, are aligned with the interests of the Company and offer a balanced summary focused on sustainable growth.

Long-term variable remuneration schemes, on the other hand, are part of a multi-annual framework, always longer than two years, to ensure that the evaluation process is based on long-term results and takes into account the corresponding economic cycle. The long-term incentive designed for the current financial year, approved by the general meeting of shareholders in 2023, which corresponds to the period from 2023 to 2027, among its purposes includes:

- Aligning participants' interests with those of shareholders over the long term.
- Incentivising the sustainable achievement of the objectives.
- Motivating participants by giving them the opportunity to share in the creation of long-term value.
- Bringing participants' remuneration package in line with market practice.
- Fostering a sense of belonging to Ence and a shared destiny.
- Aligning with remuneration best practices and corporate governance recommendations.

The performance metrics, referred to in more detail in point 6 of section A.1 of this report, relate directly to economic and financial targets (e.g. EBITDA, Net Profit, Free Cash Flow, etc.), value creation (e.g. absolute or relative Total Shareholder Return) and ESG (environmental, social and governance). 100% of the long-term variable remuneration of the CEO is paid in shares on the basis of value creation so that the interests of the CEO are aligned with those of the shareholders. In addition, in relation to any shares received under the Long-Term Incentive Plan, there is an obligation for the CEO to hold a number of shares equivalent to twice his annual fixed remuneration for a period of 3 years from being allocated.

Likewise, for the variable remuneration, both short- and long-term, clauses for the reduction or return of remunerations received are established for when such remunerations were based on data whose inaccuracy has since been evidently shown or on cases of serious breach by the Executive Director (malus/clawback). In this regard, the CEO's service contract establishes that the board of directors may defer payment of all or part of his variable remuneration if circumstances or events (e.g. financial difficulties) make such deferral advisable. In this case, the Board of Directors, upon a proposal from the appointments and remuneration committee, shall determine the amount to be reduced or, as the case may be, deferred from the outstanding remuneration applicable to the chief executive officer before such amount is received.

A1.3. Amount and nature of fixed components that are due to be accrued during the year by directors in their capacity as such.

Article 38 of Ence's current articles of association enables Directors, in their capacity as such, to receive a specific periodic allowance (as part of this periodic allowance, the remuneration policy may establish that directors receive subsistence allowances for attendance at meetings of the Board of Directors and its committees). The Company may also take out life, accident, sickness and health insurance for its Directors. The amount of remuneration that the Company may pay annually to all its Directors in their capacity as such for all items, including attendance fees and premiums for life, accident and health insurance and health care, shall not exceed the amount determined for this purpose by the general meeting in the remuneration policy it has approved. The amount so determined shall remain unchanged until it is changed by a new resolution of the General Shareholders' Meeting.

The fixed remuneration that the Directors are expected to accrue in the current year in their capacity as such is determined by the board of directors in 2018, following a report from the Appointments and Remuneration Committee, and which has remained unchanged since then, namely €44,500 for each of the Directors and €135,000 for the Chairman of the Board of Directors. In addition, the amount of the per diems for attending the meetings of the Board and its committees (except for the Chairman of the Board and the CEO, who do not receive attendance per diems pursuant to their service provision agreement) in the current financial year shall be as follows:

Members of the Board: €2,200

Chairs of Committees: €4,050 (except for the Chair of the Executive Committee, who is the Chairman of the Board, and pursuant to his service contract does not receive a per diem)

Members of the Committees: €3,000

The maximum annual amount of Remuneration for all Directors in their capacity as such is €1,900,000 in accordance with the provisions of the directors' compensation policy, and which coincides with the amount approved by the General Shareholders' Meeting on 22 March 2018, and will remain in force until it is modified at a subsequent General Shareholders' Meeting.

A1.4. Amount and nature of fixed components that are due to be accrued during the year for the performance of senior management functions of executive directors.

As of the date of this Report, the sole Executive Director of the Company is the CEO, Mr Ignacio de Colmenares Brunet, who was appointed Chairman of the Board of Directors on 30 April 2019. The CEO's fixed remuneration for their executive duties is €750,000, as set out in the current Remuneration Policy.

A1.5. Amount and nature of any component of remuneration in kind that will accrue during the year, including, but not limited to, insurance premiums paid in favour of the director.

The Company has taken out a policy that insures the group which is formed by all the Directors against the following risks derived from accidents: death, absolute permanent disability, and partial permanent disability (the risk of permanent disability is not covered for Directors who are over the age of 75). Additionally, the Company offers the Directors and their spouses the possibility of an annual medical check-up.

The amounts of premiums paid by the company for the above components are shown in section C of this report.

In addition, the CEO, for performing his executive functions and in accordance with the service provision contract, is the beneficiary of:

1. Mixed social security system: The CEO shall have the right to participate in a social security system to cover the contingencies of his retirement, death, and total, absolute, or severe permanent disability. For the purposes of the Chief Executive Officer's contract, retirement shall be deemed to have occurred when the contract is terminated as a result of the Chief Executive Officer leaving office for any reason, provided that such termination occurs after the Chief Executive Officer has reached the age of 62, this having occurred during the 2023 financial year.

While the CEO remains in office, the compensation for death, absolute, permanent, or major disability shall be increased by an additional capital equivalent to 35 monthly instalments of the annual Fixed Remuneration. When the contingency arises from an accident, the additional capital shall be equivalent to 70 monthly instalments of the annual Fixed Remuneration.

The contributions required to finance the system will be made by both the Company and the CEO: (i) The Company will make an annual contribution to the insurance contract consisting of 5.25% of the annual Fixed Remuneration. (ii) The CEO shall make an annual contribution to the insurance contract consisting of 1% of the annual Fixed Remuneration.

Likewise, the part of the premium of the mixed life insurance contract that is necessary to finance the additional capital due to death, absolute, permanent, or major disability will be paid in half by the Company and the CEO.

However, the CEO will contribute 1.125% of the annual Fixed Remuneration in this respect. Any excess over this amount will be fully assumed by the Company.

2. Defined benefit social security system: Irrespective of the above social security system, the Chief Executive Officer shall be entitled, as an incentive for remaining with the Company, to a retirement benefit, which shall be deemed to have occurred when the Contract is terminated due to the Chief Executive Officer’s resignation after having reached 62 years of age, excluding termination due to a change of control, which shall be equal to 1 year's Fixed Remuneration and the amount of the variable remuneration received in the year immediately prior to the time of termination.

In any case, the sum of the Company's contributions to this defined social security benefit system and to the mixed social security benefit system shall not exceed the sum of the payments received by the Chief Executive Officer in the last financial year, or calendar year if this amount is greater, for his membership on the Board of Directors both as Chairman and for his executive functions.

3. Other remuneration: In addition, the CEO shall be entitled to medical insurance for himself, his spouse, and his unmarried children living in the family home, the cost of which shall be borne by the

Company. In addition, the CEO will have at his disposal a company vehicle and a driver, the costs of which will be borne by the Company.

A1.6. Amount and nature of variable components, differentiating between those established in the short and long terms. Financial and non-financial, including social, environmental and climate change parameters selected to determine variable remuneration for the current year, explaining the extent to which these parameters are related to performance, both of the director and of the company, and to its risk profile, and the methodology, necessary period and techniques envisaged to be able to determine the effective degree of compliance, at the end of the year, with the parameters used in the design of the variable remuneration, explaining the criteria and factors applied in regard to the time required and methods of verifying that the performance or any other conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.

Indicate the range, in monetary terms, of the different variable components according to the degree of fulfilment of the objectives and parameters established, and whether any maximum monetary amounts exist in absolute terms.

Non-executive directors do not receive any variable remuneration due to their status as such. The CEO, in accordance with the Remunerations Policy and his service provision contract, receives the following short-term variable remuneration and is the beneficiary of the following variable long-term remuneration:

A) The short-term variable remuneration will be determined by the board of directors, at the proposal of the CNR, based on the overall assessment of their professional performance and the degree of achievement of the Company’s annual objectives. This Variable Remuneration can reach a maximum amount of 120% of the CEO's last Fixed Remuneration. The Short-Term Variable Remuneration is linked to predetermined and measurable criteria which shall not only revolve around occasional or extraordinary events, nor be based solely on the general evolution of the markets or the Company's sector, but shall promote the long-term sustainability and profitability of the Company, as well as recognition of good performance.

The targets set for 2024 are the following:

- Group EBITDA - weight 19%
- ADDITIONAL EBITDA G. of Energy (M€) - weight 4.75%
- Cellulose Production Volume (tAD) (14.25%)
- MWh sales Energy Business - weight 14.25%
- Additional Ebitda Sales of Special Products - weight 4.75%
- Cash Cost Cellulose (€/tAD) - weight 14.25%
- Cash Cost Biomass Plants Magnon - weight 14,25%
- Total Structure Costs - weight 9.50%
- Minutes of odour Navia - weight 0.625%
- Minutes of odour Pontevedra - weight 0.625%
- Water consumption reduction - weight 1.25%
- Improvement of the Ence Group's organisational climate - weight 1.25%
- Frequency rate: Cellulose - weight 0.25%
- Frequency rate: Energy independent plants - weight 0.25%
- Frequency rate: biomass supply - weight 0.25%
- Frequency rate: forestry procurement and strategy - weight 0.25%
- Frequency rate: forest heritage (north and south) - weight 0.25%

A "qualitative target" is set for the CEO in 2024, with a weight of 20% of the incentive as a whole, linked with their individual performance assessment.
For the calculation of the amount resulting from the annual variable remuneration, the result of the quantitative objectives shall be multiplied by 0.80 and the result of the qualitative assessment shall be added.
Short-term variable remuneration is therefore linked to the achievement of quantitative and qualitative targets predetermined by the Board.

The Board, at the proposal of the Appointments and Remuneration Committee, is responsible for approving the objectives at the beginning of each financial year and evaluating their fulfilment at the end of the year. The final amount is calculated taking into account the degree of compliance and the weighting assigned to each objective, applying the internal assessment rules and procedures for objectives established by the Company for its executives.
To enable verification of compliance with the predetermined performance conditions, payment shall be made in cash after the annual accounts have been drawn up and the audit report issued, and in any case within one month of the drawing up of the annual accounts for the financial year in question, unless exceptional circumstances require an additional period of time. However, if after payment the Company becomes aware that it has been paid in whole or in part on the basis of data subsequently proven to be inaccurate or if the payment did not comply with the performance conditions established in the corresponding objectives, the Chief Executive Officer
is required to reimburse the Company within 90 business days following a claim for any unduly received sums in this respect, net of any withholdings made by the Company.
B) Long-term variable remuneration: The Annual General Meeting of Shareholders of 5 May 2023 approved the long-term Incentive Plan for financial years 2023 to 2027, as a monetary remuneration plan and delivery of the Company's shares of a multi-year nature (the “Plan”).
The Plan will have a duration of 5 years and will be divided into 3 overlapping annual cycles of 3 years each, independent of each other (i.e. with delivery of the actions corresponding to each cycle after 3 years from the start of each cycle). Specifically:

Cycle I will correspond to the 3 year period between 2023 and 2025 (both included), with the target measurement period of Cycle I being between 01/01/2023 and 31/12/2025.
Cycle II will correspond to the 3-year period between 2024 and 2026 (both included), with the target measurement period of Cycle II being between 1 January 2024 and 31 December 2026.
Cycle III will correspond to the 3 year period between 2025 and 2027 (both included), with the target measurement period of Cycle III being between 1 January 2025 and 31 December 2027.
This is without prejudice to the obligations to maintain the shares delivered under the Plan.
The maximum number of shares that may be assigned under the Plan: the maximum number of shares that may be assigned under the Plan is 8,637,532 ordinary shares of the Company, representing 3.51% of the share capital, of which a maximum of 1,736,111 shares are assigned to the Chairman and Chief Executive Officer of Ence.
Specifically, the number of shares to be delivered to the Chairman and CEO in the first cycle (2023-2025) of the Plan, in the event that the targets are met 100% is 694,444 shares. This number of shares is the result of dividing three annuities of their fixed remuneration set out in the Remuneration Policy by €3.24 (the arithmetic average share price of the Company's shares in the period from 20 trading days prior to 01/01/2023 and until /03/2023, rounded to two decimal places). In this respect, as can be observed, the Board of Directors decided to extraordinarily extend the period for calculating the average trading price compared to the standard period (arithmetical average trading price of the Company's shares in the 20 trading days before and after 1 January). In this way, the share price reflects the revaluation experienced after the favourable ruling on the extension of the concession of the Pontevedra biofactory. Therefore, by considering a higher share price than would have been obtained by applying the standard period, the number of shares to be granted in the first cycle has been reduced.

In a scenario of achievement beyond targets, the maximum number of shares to be delivered would amount to 150% of the previous number.
For the second cycle (2024-2026) and third cycle (2025-2027), the number of shares to be delivered to the Chairman and Chief Executive Officer, in the event that 100% of the targets established at the time are met, will be calculated by dividing one year's fixed remuneration by the arithmetic average price of the Company's shares on the 20 trading days before and after 1 January of the first year of the corresponding cycle. In any case, the maximum number of shares may not exceed 694,445 shares in the Company for the whole of the aforementioned 2 cycles.

The specific number of Ence shares that, within the established maximum, will be delivered to the beneficiaries of the Plan at the end of each cycle will be conditional on the fulfilment of financial, non-financial and shareholder value creation objectives.
The targets to be set in each cycle may be financial (e.g. EBITDA, Net Profit, Free Cash Flow, etc.), value creation (e.g. absolute or relative Total Shareholder Return) or ESG (environmental, social and governance).
The determination of the long-term incentive for the first cycle (2023-2025) of the Plan will be based on the following metrics that are primarily associated with the creation of shareholder value:

- 45% of cumulative accounting EBITDA over the 2023-2025 period.

- 30% Total Shareholder Return ("TSR"): (1/2) TSR relative to a comparison group. (1/2) Absolute TSR

- 25% Organisational environmental and climate objectives: (1/3) Water consumption. (1/3) Odour minutes. (1/3) Synthetic climate index.

Cumulative accounting EBITDA over the 2023-2025 period. It is considered as the sum of the accounting EBITDA of Ence Energía y Celulosa, S.A. and subsidiaries, published in the consolidated annual accounts, for the years 2023, 2024 and 2025. For employees in the pulp business, this target will consider the sum of the accounting EBITDA of the pulp business, published in the consolidated annual accounts for the years 2023, 2024 and 2025. For both EBITDA, the Board of Directors, at the proposal of the appointments and remuneration committee, determines a scale of achievement which will include a (i) minimum threshold, below which no Incentive is paid and which will result in the delivery of 25% of the Incentive; (ii) a target level, which will result in the delivery of 100% of the Incentive; and (iii) a maximum level, which will result in the delivery of 150% of the Incentive.
Total Shareholder Return: The performance of an investment in the company's shares, determined by the quotient (expressed as a percentage ratio) between the final value of a hypothetical investment in shares and the initial value of that same hypothetical investment, is considered as TSR. For these purposes, for the calculation of such final value, dividends or other similar items received by the shareholder on such investment, during the relevant period of time, shall be considered as if the gross amount thereof (before tax) had been reinvested in further shares of the same type, on the first date on which the dividend or similar item is payable to the shareholders and at the closing price on such date.
The initial value shall mean the arithmetic average price of the relevant company's shares in the period from 20 trading days prior to 1 January 2023 to 30 March 2023, rounded to two decimals.
Final value means the arithmetic average price of the company's share, rounded to two decimals, for the 20 trading sessions before and after 31 December 2025.
To determine compliance with the relative TSR target with respect to a comparison group, the TSR of the Ence share will be compared with the TSR of the following 16 companies: Acciona Energía, Altri, Canfor Pulp, CMPC, Drax Group, Greenvolt, Holmen, Miquel y Costas, Navigator, OPDE, Solaria, Stora Enso, Suzano, Svenska Cellulosa, UPM and Voltalia.
When calculating the TSR of the 16 companies, the currency in which each of these companies is listed will be considered.

For both the relative TSR and the absolute TSR, the Board of Directors, at the proposal of the appointments and remuneration committee, will determine a scale of achievement which will include a (i) minimum threshold, below which no Incentive is paid and which will result in the delivery of 40% of the Incentive; (ii) a target level, which will result in the delivery of 100% of the Incentive; and (iii) a maximum level, which will result in the delivery of 150% of the Incentive.

Environmental and organisational climate objectives:

• Water consumption: Reduction of water consumption in the biofactories at the end of the 3 year duration of the first cycle, measured as the average water consumption in m3 /tAd in 2025 in the Navia and Pontevedra biofactories.

• Odour minutes: Average odour minutes per year for the years 2023, 2024 and 2025 (measured as the average of the Navia and Pontevedra biofactories).

• Synthetic climate index: The Trust Index GPTW proposed by the consultancy Great Place to Work will be used for its measurement. To calculate compliance with this objective, the average of Ence's Trust Index GPTW for the years 2023, 2024 and 2025 will be taken regarding the average of the Trust Index GPTW of the Industrial/Manufacturing sector for 2023, 2024 and 2025.

To determine compliance with the above objectives and calculate the incentive to be paid for these items, at the beginning of each cycle, the Board of Directors, at the proposal of the appointments and remuneration committee, determines a scale of achievement which will include a (i) minimum threshold, below which no Incentive is paid and which will result in the payment of 50% of the Incentive; (ii) a target level, which will result in the payment of 100% of the Incentive; and (iii) a maximum level, which will result in the payment of 150% of the Incentive.

For the second cycle (2024-2026) and third cycle (2025-2027) of the Plan, the measurement periods of which begin on 1 January 2024 and 1 January 2025, respectively, the Board of Directors will establish eligibility, the criteria for determining the incentive and the specific number of shares to be granted, the metrics, the weighting of each and the scales of achievement based on the strategic priorities at any given time, within the limits established in the current Directors' Remuneration Policy. In any case, the annual report on directors' remuneration will report on any changes, if any, made in the second cycle and in the third cycle regarding the conditions described above in relation to the first cycle (2023-2025) of the Plan.

Acting on a proposal from the Appointments and Remuneration Committee, the Board determines the payment levels, after the target measurement period has closed, based on the degree of compliance. The assessment of results and the determination of payment for some metrics may be made based on data provided by external consultants. In this assessment, the Board will also consider the associated risks. In this regard, positive or negative economic effects arising from extraordinary events that could introduce distortions in the evaluation results may be eliminated when proposing the level of achievement of the quantitative targets.

In addition, in the case of the incentive corresponding to the first cycle (2023-2025), one fifth (1/5) of the amount of the incentive to be received in 2024 derived from the Long-Term Incentive Plan for the financial years 2019 to 2023, approved by Ence's General Shareholders' Meeting held on 28 March 2019, will be deducted.

Until such time as the Company's shares are delivered, where applicable, this Plan does not grant the Beneficiaries the status of Ence shareholders. The Beneficiaries will become shareholders of the Company under the Plan on the occasion of its liquidation and the delivery, if applicable, of the corresponding Ence shares.

The Plan establishes a series of requirements for the beneficiary to be able to receive the final incentive: (i) Achieving at least minimum compliance with the targets to which the relevant Plan cycle is linked and (ii) remaining continuously in active service with the Company, or as the case may be, the Group until the end of the target measurement period of the corresponding cycle.

Once the period for measuring the objectives of each cycle of the Plan has ended, the Board will determine, in accordance with the objectives to which each cycle of the Plan is linked, the payment coefficient weighted according to the degree of achievement of the objectives, and therefore, will determine the final incentive of each cycle which, if applicable, the beneficiary will be entitled to receive under the Plan. The date of payment will also be determined by the Council.

For the purposes of calculating the weighted payment ratio, the degree of achievement of Ence's performance-related targets will be determined taking into account any qualifications in the auditor's report that reduce these results.

An obligation is established for the chief executive officer to hold a number of shares, net of tax, equal to twice their annual fixed remuneration for a period of 3 years from the delivery of the shares, unless they hold shares with a value equal to or greater than twice their fixed remuneration at the time of delivery.

The payment of the incentive corresponding to each cycle of the Plan will take place after the end of the relevant cycle, i.e. in 2026 for the first cycle, in 2027 for the second cycle and in 2028 for the third cycle, once the audited annual accounts for the financial years 2025, 2026 and 2027, respectively, have been prepared. The actual date of payment shall be determined by the Board of Directors or by the person to whom the Board of Directors has delegated the relevant powers.

The Board of Directors, at the proposal of the CNR, reserves the right to claim the reimbursement ("Clawback") of all or part of the incentive paid, and to reduce all or part of the amounts pending payment ("Malus"), in any of the three cycles, in the event of the circumstances established in the directors' remuneration policy in this regard. The Board of Directors may decide to apply the clawback clause at any time during the twenty-four (24) months following the subscription date.

A1.7. Main characteristics of long-term savings schemes. Among other information, indicate the contingencies covered by the scheme, whether it is a defined contribution or a defined benefit scheme, the annual contribution that has to be made to defined contribution schemes, the benefits to which directors are entitled in the case of defined benefit schemes, the vesting conditions of the economic rights of directors and their compatibility with any other type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the director.

Indicate whether the accrual or vesting of any of the long-term savings plans is linked to the attainment of certain objectives or parameters relating to the director's short- or long-term performance.

The Directors in their capacity as such receive only a fixed remuneration consisting of a periodic allowance and a per diem for attendance at meetings, without the Company making contributions to pension plans or other long-term savings schemes.

As indicated beforehand with regard to remuneration in kind, by virtue of their executive duties and in accordance with the service provision contract, the CEO is the beneficiary of a mixed social security system to cover the contingencies of retirement, death, and total, absolute, or severe permanent disability, as well as a defined social security system that is independent of the previous social security system.

The aforementioned mixed social security system is a defined contribution system in which the CEO contributes 1% of his annual fixed remuneration and the company contributes 5.25% of it. These defined contribution mixed savings insurance contract rights the savings component are compatible with any type of indemnity for early termination or termination of the contractual relationship between the company and the CEO.

The CEO shall lose the rights relating to the contributions made by the company in the following cases set out in the contract for the provision of services:

- Termination of the contract due to legal or statutory infringement or serious breaches of the contract that result in verifiable damage to the company.

- Voluntary resignation of the chief executive officer, not due to a change of control under the terms set out in said contract, before reaching the age of 62. During the 2023 financial year, the Chief Executive Officer has reached the age of 62 and therefore this assumption does not apply.

- Non-compliance by the CEO with the non-competition obligation after termination.

In relation to life and accident insurance, the CEO contributes 50% of the cost of the premium (with a limit of 1.125% of the annual Fixed Remuneration) and the company contributes 50% of the premium plus the difference of the cost in the event that the contribution of the CEO exceeds the aforementioned limit. The contingencies covered by the insurance policy are as follows: retirement, total permanent disability expressly declared by the competent administrative or judicial body, absolute permanent disability expressly declared by the competent administrative or judicial body, severe disability expressly declared by the competent administrative or judicial body, and death. The insured capital is equivalent to 35 monthly payments of the fixed remuneration for the CEO or, in the event that contingencies result from an accident, the capital received would be equivalent to 70 of these monthly payments.

Additionally, a defined pension system was established whereby the Chief Executive Officer shall be entitled, as an incentive for remaining with the Company, to a retirement benefit, which shall be deemed to have occurred when the Contract is terminated due to the Chief Executive Officer’s resignation after having reached 62 years of age (which as previously indicated, occurred, the CEO reaching this age in the 2023 financial year), which shall be equal to one year's Fixed Remuneration and the amount of the variable remuneration received in the year immediately prior to the time of termination.

In any case, the sum of the Company's contributions to this defined social security benefit system and to the mixed social security benefit system shall not exceed the sum of the payments received by the Chief Executive Officer in the last financial year, or calendar year if this amount is greater, for his membership on the Board of Directors both as Chairman and for his executive functions.

A1.8. Any type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the director, whether at the company's or the director's initiative, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, minimum contract term or loyalty, that entitles the director to any kind of remuneration.

Directors in their capacity as such are not entitled to receive any payment or compensation for early termination or cessation of the contractual relationship.

Regarding the CEO, the contract for the provision of services establishes the following provisions:

i) The Board may at any time revoke the powers delegated to the Chief Executive Officer. The non-reelection of a Chief Executive Officer as a member of the Board when their appointment expires during the term of the contract shall be considered equivalent to such termination. In this case, the director will be entitled to (i) at least three months' notice, or as the case may be, gross compensation equivalent to the annual fixed remuneration for the notice period not observed and (ii) compensation of one year's annual fixed remuneration received at that time, and the variable remuneration received in the year immediately prior to the time of termination, or if the termination occurred between 1 January and the date of preparation of the accounts for the preceding financial year and the annual variable remuneration has not yet been approved, the amount of the Annual Variable Remuneration accrued, and where applicable, not yet paid for the financial year prior to the termination. Any remuneration from long-term incentive plans is not included in this calculation. If the termination of the Chief Executive Officer is a result of the commission of infractions against the law, contracts, the articles of association, or other applicable company regulations, the notice and indemnity payment mentioned above are also excluded.

ii) If, during the term of the contract, there is a significant change in the control of the Company, as defined in the contract, the director may tender their resignation, with the right to receive a sum equivalent to two annual instalments of the annual fixed remuneration received at that time plus the amount of the annual variable remuneration that has been approved for the chief executive officer in the two years immediately prior to the time of departure, or if the departure occurs between 1 January and the date of the preparation of the accounts for the previous financial year and the annual variable remuneration has not yet been approved, the amount of the annual variable remuneration accrued and, where applicable, not yet paid for the financial year prior to the termination plus the amount of the annual variable remuneration that has been approved for the chief executive officer in the year prior to the last financial year.

iii) During the twelve months following a Director's dismissal for any reason, he or she may not compete with the Company. Compensation for the Chief Executive Officer's post-contractual non-competition obligation has been paid to the Chief Executive Officer since his appointment as Chief Executive Officer. For this purpose, 15% of his Fixed Remuneration is deemed to be paid to the Chief Executive Officer as compensation for the non-competition obligation. If this requirement is not complied with, the Director must pay back the compensation paid for this item to the Company, without prejudice to the damages which may be claimed.

With regard to the latter compensation, it should be noted that it would not entail the payment of any additional sum upon termination of the contractual relationship between the Company and the CEO.

A1.9. Indicate the conditions that the contracts of executive directors performing senior management functions should contain. Among other things, information must be provided on the duration, limits on amounts of indemnification, minimum contract term clauses, notice periods and payment in lieu of these notice periods, and any other clauses relating to signing bonuses, as well as compensation or golden parachute clauses for early termination of the contractual relationship between the company and the executive director. Include, among others, the pacts or agreement on non-competition, exclusivity, minimum contract terms and loyalty, and post-contractual non-competition, unless these have been explained in the previous section.

The service provision contract between ENCE and the CEO covers, in addition to the clauses detailed in the above section, the following terms and conditions:
i) The CEO may resign from his position at any time, with a written notice at least three months in advance, with no right to compensation of any kind. If this notice is not given, the Company will be entitled to a compensation equivalent to the Fixed Remuneration corresponding to the non-observed term of notice.
ii) Full and exclusive dedication of the Director is required, without prejudice to the positions that they may hold (i) in companies belonging to the Company's group and (ii) in family companies of an asset-holding nature, provided that they do not affect their dedication and do not entail a conflict of interest with the Company, or (iii) in other companies other than the above when expressly authorised to do so by the Board of Directors.
iii) The severance pay shall be paid when the Company verifies, within three months following the severance, that there have been no serious infractions or breaches resulting in verifiable harm to the Company or, if applicable, that other performance criteria that may be agreed in advance have been met.
iv) The contract for the provision of services remains in force while Mr Ignacio de Colmenares Brunet occupies his position as CEO of the Company.
v) Clawback and malus clauses:
A).- Clawback: The Chief Executive Officer shall be required to repay to the Company the net sums received as annual and multi-year variable remuneration when, within two years of such payment, any event or circumstance arises that has the effect of significantly altering the economic or other data on which the variable remuneration in question was granted, and the board of directors, at the

proposal of the appointments and remuneration committee, decides to reduce or cancel the Chief Executive Officer's entitlement to the variable remuneration already received.

B).- Malus: The annual or multi-annual variable remuneration pending payment, whether in cash or shares, may be reduced or cancelled by the company if during the period between the date of accrual of such variable remuneration and the time of its payment it is possible to establish the inaccuracy or incorrectness of the data used to calculate the final amount of such variable remuneration. This reduction or cancellation of accrued but unpaid variable remuneration would also apply in the case of short- and long-term variable remuneration that may be deferred over time.

In addition, the board of directors may defer payment of all or part of the variable remuneration if circumstances or supervening events make such deferral advisable. The board of directors, following a proposal by the appointments and remuneration committee, shall determine the amount to be reduced or, as the case may be, deferred from the outstanding remuneration applicable to the Chief Executive Officer before such sum is received.

A1.10. The nature and estimated amount of any other supplementary remuneration that will be accrued by directors in the current year in consideration for services rendered other than those inherent in their position.

There has been no additional remuneration.

A1.11. Other items of remuneration such as any deriving from the company's granting the director advances, loans or guarantees or any other remuneration.

The Company has not granted advances, loans, or guarantees to its Directors

A1.12. The nature and estimated amount of any other planned supplementary remuneration to be accrued by directors in the current year that is not included in the foregoing sections, whether paid by the company or by another group company.

There has been no additional remuneration.

A.2 Explain any significant change in the remuneration policy applicable in the current year resulting from:

a) A new policy or an amendment to a policy already approved by the General Meeting.

b) Significant changes in the specific determinations established by the board for the current year regarding the remuneration policy in force with respect to those applied in the previous year.

c) Proposals that the Board of Directors has agreed to submit to the general shareholders’ meeting to which this annual report will be submitted and for which it is proposed that they be applicable to the current year.

There have been no significant changes in the Remuneration Policy applicable in the current year.

A.3 Identify the direct link to the document containing the company's current remuneration policy, which must be available on the company's website.

The direct link to the current Remuneration Policy document available on the website is: https://ence.es/inversores/gobierno-corporativo/codigo-de-conducta-y-politicas-corporativas/

A.4 Explain, taking into account the data provided in Section B.4, how account has been taken of the voting of shareholders at the General Shareholders' Meeting to which the annual report on remuneration for the previous year was submitted on a consultative basis.

In the vote on item ten of the Agenda of the General Shareholders' Meeting held on 05 May 2023, relating to the consultative vote on the Annual Remuneration Report for 2022, 129,540,487 valid votes were cast, representing 52.60% of the share capital with a voting right. It was approved by a majority of 126,427,748 votes (97.59% of the votes cast).

Taking into account the percentage of votes in favour of the 2022 report, the Company understands that the measures adopted aimed at completing the information provided in the Report continue to be positively received by the shareholders, who have shown their majority support and have once again revalidated their approval with a very high percentage of approval, reaching almost 100% of the votes cast.

B OVERALL SUMMARY OF HOW REMUNERATION POLICY WAS APPLIED DURING THE YEAR LAST ENDED

B1.1. Explain the process followed to apply the remuneration policy and determine the individual remuneration contained in Section C of this report. This information will include the role played by the remuneration committee, the decisions taken by the Board of Directors and the identity and role of any external advisors whose services may have been used in the process of applying the remuneration policy in the year last ended.

The individual remunerations reflected in section C of this report have been approved by the Board of Directors, following a favourable report from the Appointments and Remuneration Committee, in application of the corresponding Remuneration Policy.

It should be noted that from 1 January 2023 until 4 May 2023 the remuneration policy in force was the policy approved by the General Meeting of Shareholders in the 2022 financial year, while from 5 May 2023 until 31 December 2023 the remuneration policy in force is the policy approved by the General Meeting of Shareholders on 5 May 2023, which is valid until 31 December 2026.

In the remuneration policy approved in 2022, the fixed remuneration of the chief executive officer for their executive duties amounted to €664,125, while in the remuneration policy approved in 2023 the fixed remuneration of the chief executive officer for their executive duties was amended to €750,000.

As explained in the previous paragraph, the chief executive officer received fixed remuneration of €228,754.17 for the period from 1 January 2023 to 4 May 2023, while for the period from 5 May 2023 to 31 December 2023 they received €491,666.67, making a total of €720,421.

Apart from the above, it should be noted that, as reported in previous years' reports, in 2021 the CEO voluntarily reduced their fixed remuneration by 20% in the event that the net result in 2021 was not positive. The reduction was implemented due to the result obtained as a consequence of the provisions made for the unfavourable rulings of the National High Court with regard to the granting of the Pontevedra extension.

Notwithstanding the above, at the start of 2023 the Spanish Supreme Court upheld the appeals filed by the Company, declaring the rulings of the Spanish High Court null and void and upholding the legality of the extension of the concession. As a result of this decision, it was agreed to reverse the aforementioned provisions, and the Appointments and Remuneration Committee reported favourably on the approval by the Board of Directors of the recovery by the Chief Executive Officer of 20% of their fixed remuneration foregone during the 2020 financial year, as the provisions that prevented compliance with the condition established for such recovery have been reversed.

Accordingly, the chief executive officer has received, together with their fixed remuneration for the year 2023, the amount corresponding to 20% of their fixed remuneration not received for the year 2020, amounting to a total of €132,825.

Therefore, the fixed remuneration of the chief executive officer for their executive duties in the 2023 financial year amounted to €853,246 in accordance with the remuneration provided for in their service contract and the remuneration policy in force at any given time during the 2023 financial year, as well as the fixed remuneration foregone in the 2020 financial year.

The "Fixed Remuneration" of the chairman of the board reported in section C of this report (€135,000) corresponds to the amount approved by the board of directors as fixed remuneration for the position of chairman of the board, which is also included in the remuneration policy and has remained unchanged since 2018.

With respect to the short-term variable remuneration of the CEO for financial year 2023, on 24 January 2024 the Appointments and Remuneration Committee assessed the degree of compliance with the targets set, audited beforehand by the Company's Internal Audit Department, and reported favourably on the proposal for variable remuneration that was approved by the Board at its meeting on 30 January 2024.

The total short and long-term variable remuneration for the 2023 period corresponded to a total of €382,111.11.

All the remuneration components indicated in section C were also reviewed by the appointments and remuneration committee on 24 January 2024, which applied the items and amounts provided for in the directors remuneration policy and approved by the board of directors on 30 January 2024.

B1.2. Explain any deviation from the procedure established for the application of the remuneration policy that has occurred during the year.

There have been no deviations from the established procedure.

B1.3. Indicate whether any temporary exception has been applied to the remuneration policy and, if so, explain the exceptional circumstances that have led to the application of these exceptions, the specific components of the remuneration policy affected and the reasons why the entity believes that these exceptions have been necessary to serve the long-term interests and sustainability of the society as a whole or ensure its viability. Similarly, quantify the impact that the application of these exceptions has had on the remuneration of each director over the year.

No temporary exceptions have been applied.

B.2 Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks, aligning it with the long-term objectives, values and interests of the company, including a reference to the measures adopted to ensure that the long-term results of the company have been taken into consideration in the remuneration accrued. Ensure that an appropriate balance has been attained between the fixed and variable components of the remuneration, the measures adopted in relation to those categories of personnel whose professional activities have a material effect on the company’s risk profile and the measures in place to avoid any possible conflicts of interest.

The remuneration policy is designed to be consistent with the company's strategy and long-term performance orientation: 1) The remuneration of the executive director is basically made up of different remuneration elements: fixed remuneration, short-term variable remuneration and long-term variable remuneration; 2) For short-term variable remuneration, specific and quantifiable objectives are set, of a financial and non-financial nature, linked to the social interest and sustainable growth of the company. Long-term variable remuneration is linked to objectives related to the company's growth, the generation

of shareholder value, with a specific focus on work climate and sustainability, 3) Long-term variable remuneration plans are embedded in a multi-year framework, of at least three years' duration, to ensure that the evaluation process is based on long-term results and takes into account the underlying economic cycle of the company. This remuneration is granted and paid in the form of shares on the basis of value creation, so that the interests of the executives are aligned with those of the shareholders, (iv) Shares delivered under the long-term variable remuneration to the CEO will be subject to a 3 year holding period as long as the permanent holding requirement (2 annuities of the fixed remuneration) is not reached.
Balance between fixed and variable remuneration components: The variable remuneration system is flexible and allows that in case of non-achievement of minimum performance levels, no variable remuneration is paid, and is therefore not guaranteed. The percentage of short- and long-term variable remuneration can be relevant if the maximum level of target achievement is reached. Moreover, measures that help to avoid excessive risk-taking and foster a culture of commitment to objectives include: 1) The corporate governance system, the internal regulations and the control and compliance systems, which establish supervision and counterbalance mechanisms to avoid the concentration of decision-making capacity in areas that may involve a high concentration of risks, 2) The payment of the annual variable remuneration takes place after the date of preparation and audit of the annual accounts and after determining the degree of achievement of the objectives and 3) The chief executive officer's contract incorporates malus and clawback clauses.
In accordance with the provisions of the remuneration policy:
-The remuneration of Directors in their capacity as members of the Board of Directors and its committees consists of a fixed allowance and allowances for attendance at meetings (except for the Chairman of the Board and of the executive committee who do not receive allowances), as well as the possibility of receiving other remuneration consisting of different types of insurance (life insurance, accident insurance, healthcare). Non-executive Directors are not expected to receive variable remuneration.
-The total compensation of the Executive Directors is made up of different remuneration items, which mainly consist of: (i) a fixed remuneration, (ii) a short-term variable remuneration, (iii) a long-term/multi-annual variable remuneration, (iv) assistance benefits, and (v) remuneration in kind.
As regards the remuneration mix of the Chairman and CEO for 2023, taking as a reference the total remuneration and the level of compliance with the annual variable remuneration in this financial year, the fixed remuneration represents 73.28% for their position as Chairman and for executive functions, and the annual variable remuneration represents 26.72%, which corresponds to the short and long-term variable remuneration.
The chief executive officer's remuneration package is mainly biased towards variable remuneration, both short and long term, so that most of the total remuneration is received only if the targets set in the short and long term variable remuneration are met.

The variable remuneration for 2023 for the CEO, approved by the Board and favourably reported by the CNR, referred to in greater detail in section B.7 of this report, includes quantifiable and measurable metrics that reflect the company's value drivers and the Company's performance with respect to each of them, while ensuring the company's long-term sustainability at the same time.

In this sense, the targets are linked to the Company's growth, to the operational execution, to the generation of cash, to the fulfilment of parameters of environmental behaviour, and those related to people, their safety, and the organisational climate, as well as the general assessment of their management during the financial year based on certain activities that are especially noteworthy, detailed in section B.6. All of them, as a whole, are aligned with the interests of the Company and offer a balanced summary focused on sustainable growth.
Long-term variable remuneration schemes, on the other hand, are part of a multi-annual framework, always longer than two years, to ensure that the evaluation process is based on long-term results and takes into account the corresponding economic cycle.
During 2023, two long-term incentive plans coexisted, the details of which are described in sections A.1.6 and B.7. of this report.

B.3 Explain how the remuneration accrued and consolidated over the financial the year complies with the provisions of the current remuneration policy and, in particular, how it contributes to the company's long-term and sustainable performance.

Furthermore, report on the relationship between the remuneration obtained by the directors and the results or other performance measures of the company in the short and long term, explaining, if applicable, how variations in the company's performance have influenced changes in directors' remuneration, including any accrued remuneration payment of which has been deferred, and how such remuneration contributes to the short- and long-term results of the company.

In accordance with the remuneration policy in force, the total compensation of executive directors is made up of the remuneration elements stated above: (i) a fixed remuneration, (ii) a short-term variable remuneration, (iii) a long-term/multi-annual variable remuneration, (iv) assistance benefits, and (v) remuneration in kind. In turn, remuneration of directors in their capacity as such consists of fixed remuneration and other items in kind such as life, accident, health, and medical insurance, with the maximum annual amount of remuneration for all directors in their capacity as such being €1,900,000. Based on this, the previous sections have explained in detail how the remuneration accrued in the financial year, referring to the above-mentioned remuneration items, complying with the provisions of the current remuneration policy. Regarding the contribution of accrued remuneration to the long-term and sustainable performance of the Company, it should be noted that accrued remuneration is determined in accordance with the remuneration policy and is designed in a manner consistent with the Company's strategy and long-term performance orientation: •Executive directors' remuneration is composed of different remuneration elements, mainly fixed remuneration, short-term variable remuneration and long-term variable remuneration. •Regarding the metrics established, the Short-Term Variable Remuneration sets specific and quantifiable financial and non-financial objectives, linked to the Company's social interest and sustainable growth. In turn, long-term variable remuneration is linked to objectives that are directly related to the growth of the company, the generation of shareholder value and focuses specifically on the working environment and sustainability. •Long-term variable remuneration schemes are part of a multi-annual framework, always longer than two years, to ensure that the evaluation process is based on long-term results and takes into account the corresponding economic cycle. The two long-term incentives designed in place are aligned with the 2019-2023 strategic plan as well as with the new strategic framework, respectively. The objectives of both are to promote the sustainability of the company for the creation of long-term value, as well as the creation of shareholder value and to strengthen the focus of the management team and the executive board on the achievement of business objectives. •For both long-term incentives, shares awarded to the Executive Director in an amount equal to twice their annual fixed remuneration under the long-term incentive are subject to a 3-year holding period. With regard to the balance between fixed and variable components of remuneration, it should be noted that the variable remuneration system is flexible and allows that in case of non-achievement of minimum performance levels, no variable remuneration is paid, and is therefore not guaranteed. The percentage of short- and long-term variable remuneration can be relevant if the maximum level of target achievement is reached. Moreover, measures that help to avoid excessive risk-taking and foster a culture of commitment to objectives include: (i)The corporate governance system, internal regulations and control and compliance systems, which set oversight mechanisms and checks and balances to prevent the concentration of decision-making power in areas that may involve a high degree of risk. (ii)The Annual Variable Remuneration is paid after the date of drafting and auditing the annual accounts and after determining the achievement degree of the objectives. (iii) The CEO's contract incorporates malus and clawback clauses. The metrics of the CEO's short- and long-term variable remuneration, which have been broken down in this report, are in line with the above. As may be deduced from the foregoing, the mechanisms established in the remuneration policy have been duly applied and fulfil their objective of aligning the remuneration of directors with the achievement of the Company's short- and long-term results and contribute to the long-term, sustainable performance of the Company.

B.4 Report on the result of the consultative vote at the General Shareholders’ Meeting on remuneration in the previous year, indicating the number of votes in favour, votes against, abstentions and blank ballots:

	Number	% of total
Votes cast	129,540,487	52.60

	Number	% of votes cast
Votes against	3,089,043	2.38
Votes in favour	126,427,748	97.59
Blank ballots		0.00
Abstentions	23,696	0.02

Observations

B.5 Explain how the fixed components accrued and vested during the year by the directors in their capacity as such were determined, their relative proportion with regard to each director and how they changed with respect to the previous year

The fixed components accrued during the year by the directors in their capacity as directors are unchanged from the previous year, remaining stable since 2018.

Therefore, the fixed remuneration of the directors in their capacity as such for financial year 2023 remains unchanged at €44,500, and the fixed remuneration for the Chairman of the board at €135,000.

The amount of the daily allowance for attending meetings of the Board and its committees in financial year 2023 is maintained at the same amounts as for the previous fiscal year and are as follows: Members of the Board: €2,020 Chairs of Committees: €4,050 Members of the Committees: €3,000

The Chairman of the Board and of the Executive Committee does not receive an attendance fee.

B.6 Explain how the salaries accrued and vested by each of the executive directors over the past financial year for the performance of management duties were determined, and how they changed with respect to the previous year.

The CEO, Ignacio de Colmenares Brunet, is the sole Executive Director, and for performing the roles delegated to him and in his capacity as the Company's CEO, he receives the remuneration established in the service provision contract signed between himself and the company, in accordance with the current remuneration policy.

The fixed remuneration for executive functions is established in accordance with the terms of the service contract and the remuneration policy.

As previously indicated in section B.1.1. of this report, it should be noted that from 1 January 2023 to 5 May 2023, the remuneration policy in force was that approved by the General Meeting of Shareholders in 2022, while from 6 May 2023 to 31 December 2023, the remuneration policy in force was that approved by the General Meeting of Shareholders on 5 May 2023, which remains in force until 31 December 2026.

In the remuneration policy approved in 2022, the fixed remuneration of the chief executive officer for their executive duties amounted to €664,125, while in the remuneration policy approved in 2023 the fixed remuneration of the chief executive officer for their executive duties was amended to €750,000.

In accordance with the above, the chief executive officer will receive fixed remuneration of €228,754.17 for the period from 1 January 2023 to 4 May 2023, while for the period from 5 May 2023 to 31 December 2023 they will receive €491,666.67, making a total of €720,421.

Apart from the foregoing and as explained in section B.1.1. of this report, the chief executive officer will receive, together with their fixed remuneration for the 2023 financial year, the amount

corresponding to 20% of their fixed remuneration not received for the 2020 financial year, which amounts to a total of €132,825. The fixed remuneration of the chief executive officer for their executive duties in the 2023 financial year amounts to €853,246 in accordance with the remuneration provided for in their service contract and the remuneration policy in force at any given time during the 2023 financial year, as well as the fixed remuneration foregone in the 2020 financial year. In addition, during financial year 2023, the chief executive officer received €135,000 corresponding to the fixed remuneration for his position as chairman of the board, as stated in the remuneration policy. The amount received by the CEO as chairman remained unchanged from the previous year. However, with regard to the fixed remuneration received by the CEO for their executive functions in the 2023 financial year, i.e. €720,421 (not taking into account the amount corresponding to the recovery of 20% of their fixed remuneration for 2020, as this is a back payment), this has experienced a variation of 8.43% with respect to that of the year 2022, in which they received €664,125. This change is due to the approval by the general meeting of shareholders of a new remuneration policy on 5 May 2023, which has been in force since that date.

B.7 Explain the nature and the main characteristics of the variable components of the remuneration systems accrued and vested in the year last ended.

In particular:

a) Identify each of the remuneration plans that determined the different types of variable remuneration accrued by each of the directors in the year last ended, including information on their scope, date of approval, date of implementation, any vesting conditions that apply, periods of accrual and validity, criteria used to evaluate performance and how this affected the establishment of the variable amount accrued, as well as the measurement criteria used and the time needed to be able to adequately measure all the conditions and criteria stipulated, explaining the criteria and factors applied in regard to the time required and the methods of verifying that the performance or any other kind of conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.

b) In the case of share options and other financial instruments, the general characteristics of each plan must include information on the conditions both for acquiring unconditional ownership (vesting) of these options or financial instruments and for exercising them, including the exercise price and period.

c) Each director that is a beneficiary of remunerations systems or plans that include variable remuneration, and his or her category (executive director, external proprietary director, external independent director or other external director).

d) Information is to be provided on any periods for accrual, vesting or deferment of payment of vested amounts applied and/or the periods for retention/unavailability of shares or other financial instruments, if any.

Explain the short-term variable components of the remuneration systems
The Directors do not receive any variable remuneration due to their status as such. In accordance with the provisions of the Remuneration Policy and his service provision contract, the CEO receives a short-term variable remuneration determined by the Board of Directors, at the proposal of the Appointments and Remuneration Committee, depending on the degree of compliance with the Company’s annual objectives and the CEO’s performance. The CEO's service contract establishes that the board of directors may defer payment of all or part of his

variable remuneration if circumstances or events (e.g. financial difficulties) make such deferral advisable.

The annual objectives are quantitative and qualitative targets (business, financial, operational, environmental performance, etc.) predetermined by the Board of Directors. As such, the Board of Directors, at the proposal of the Appointments and Remuneration Committee, is responsible for approving the objectives at the beginning of each financial year and evaluating their fulfilment at the end of the year. The setting of the annual objectives of the Chief Executive Officer for financial year 2023 was reported on favourably by the Appointments and Remuneration Committee at its meeting of 18 January 2023 and approved by the Board at its meeting of 24 January 2023, and the assessment of their level of compliance was reported favourably by the committee at its meeting of 24 January 2024 and approved by the Board of Directors at its meeting of 30 January 2024, following confirmation by the internal auditor.

The targets set for 2023, their weighting, and the level of achievement were as follows:

- Group accounting EBITDA: 40% - the minimum target level is not reached
- Pulp production volume: 10% - 7.70 points
- MWh sales in Magnon: 10% - the minimum target level is not reached
- Improvement of the organisational climate (pulp + Magnon): 2% - 1.06 points
- Improvement of Occupational Safety: Network cellulose freq. index: 0.4% - the minimum target level is not reached
- Improvement of Occupational Safety: Network energy freq. index: 0.4% - 0.48 points
- Improvement of Occupational Safety: Network biomass freq. index: 0.4% - 0.48 points
- Improvement of Occupational Safety: Network forest freq. index: 0.4% - the minimum target level is not reached
- Improvement of Occupational Safety: Network equity freq. index: 0.4% - the minimum target level is not reached
- Improvement of environmental performance (Navia + Pontevedra: 2%) - 1.20 points
- Cash Cost Cellulose 12.5% - 13.38 points
- Cash Cost Magnon: 12.5% - the minimum target level is not reached
- Energy Management EBITDA: 9% - 10.80 points

As reported in the previous year's Remuneration Report, for the calculation of the amount resulting from the annual variable remuneration, the result of the quantitative objectives shall be multiplied by 0.80 and the result of the qualitative assessment shall be added.

The achievement compliance scale consists of three levels: critical level, target level (100%), and maximum level (120%). The final amount is calculated taking into account the degree of compliance and the weight assigned to each objective, applying the procedure that the company has defined for this purpose and reviewed by the internal auditor.

In particular, the overall level of achievement of the objectives associated with the annual variable remuneration of the CEO in 2023 was 53.04%. A level of achievement of 36.3% corresponds to the quantitative objectives and 120% to the qualitative objective.

With regard to the latter, the overall management of the CEO during the 2023 financial year has been assessed very positively, proposing a level of achievement of 120% of the qualitative objective, especially with regard to the leadership that Mr Colmenares has exercised on the teams for the achievement of the company's objectives and business development, highlighting its successful management in an environment of great uncertainty and especially valuing its ability to react throughout the year, focusing on cost reduction and adopting the necessary measures to achieve a significant improvement in cash cost, the latter being successfully achieved at the end of the year.

Explain the long-term variable components of the remuneration systems
The Directors do not receive any variable remuneration due to their status as such.

The CEO, in accordance with the remunerations policy and his service provision contract, receives a long-term variable remuneration.

During the 2023 financial year, two long-term incentive plans coexisted. For this reason, the General Meeting held in 2023 approved that in the case of the incentive corresponding to Cycle I (2023-2025), one fifth (1/5) of the amount of the incentive to be received in 2024 derived from the Long-Term Incentive Plan for the financial years 2019 to 2023, approved by Ence's General Shareholders' Meeting held on 28 March 2019, will be deducted:

(iii) The 2019-2023 long-term incentive plan (''ILP 2019-2023''), the characteristics of which are set out in the 2022-2024 directors' remuneration policy and detailed in the 2022 annual directors' remuneration report, was reported favourably by the appointments and remuneration committee and approved by the 2019 general shareholders' meeting, has a duration of five years, comprising the period 2019-2023, in line with Ence's strategic plan for this period.

This plan establishes the specific period of time over which to measure results (always more than 2 years); it has specific objectives and metrics for results, maximum and minimum achievement thresholds, and sets a target and maximum amount to receive in cash and/or shares if the established objectives are achieved and establish a deferral period for payment of the incentive once accrued.

One of the objectives of this plan is to promote the sustainability of the Company for the creation of long-term value, to reinforce the orientation of the executive team and the CEO towards re-evaluating the Company, improving the organisational climate, and incentivizing the attainment of the business targets committed to in the Strategic Plan.

The incentive for Cycle I was paid in July 2022, following an assessment by the CNR at its meeting of 10 June 2022 of the degree to which the objectives of the first Cycle had been met. The level of compliance was 14.8%, where a cash payment of €59,000 and the delivery of 23,712 shares of the Company corresponded to the CEO, equivalent (at the date of delivery) to an amount of €77,000.

Cycle II of the long-term incentive, which covers the period from 1 January 2019 to 31 December 2023, thus finishing in the reporting period, will be payable in 2024, once the CNR assesses the degree of compliance with the targets set for this Cycle. The percentage of compliance, and if so determined, the amount in cash and shares of the company corresponding to the chief executive officer will be reported in the annual report on directors' remuneration for the 2024 financial year.

70% of the long-term remuneration of the CEO is paid in shares on the basis of value creation so that the interests of the CEO are aligned with those of the shareholders.

In addition, there is an obligation for the CEO to hold a number of shares equivalent to 2 times his annual Fixed Remuneration during the 3-year term.

(iv) The long-term incentive plan 2023-2027 (''ILP 2023-2027''), was reported favourably by the nomination and remuneration committee and approved by the general meeting of shareholders in 2023. The Plan will have a duration of 5 years and will be divided into 3 overlapping annual cycles of 3 years each, independent of each other (i.e. with delivery of the actions corresponding to each cycle after 3 years from the start of each cycle).

Cycle I will correspond to the 3 year period between 2023 and 2025 (both included), with the target measurement period of Cycle I being between 01/01/2023 and 31/12/2025.

The determination of the long-term incentive for the first cycle (2023-2025) of the Plan will be based on the following metrics that are primarily associated with the creation of shareholder value:

- 45% of cumulative accounting EBITDA over the 2023-2025 period.
- 30% Total Shareholder Return ("TSR"): (1/2) TSR relative to a comparison group. (1/2) Absolute TSR

- 25% Organisational environmental and climate objectives: (1/3) Water consumption. (1/3) Odour minutes. (1/3) Synthetic climate index.

100% of the long-term remuneration of the CEO is paid in shares on the basis of value creation so that the interests of the CEO are aligned with those of the shareholders.

In addition, there is an obligation for the CEO to hold a number of shares equivalent to 2 times his annual Fixed Remuneration during the 3-year term.

B.8 Indicate whether certain variable components have been reduced or clawed back when, in the former case, payment of non-vested amounts has been deferred or, in the latter case, they have vested and been paid, on the basis of data that have subsequently been clearly shown to be inaccurate. Describe the amounts reduced or clawed back through the application of the "malus" (reduction) or clawback clauses, why they were implemented and the years to which they refer.

During the year, no variable component returns have been reduced or claimed.

B.9 Explain the main characteristics of the long-term savings schemes where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivor benefit, whether financed in whole or in part by the company or through internal or external contributions, indicating the type of plan, whether it is a defined contribution or defined benefit plan, the contingencies covered, the conditions on which the economic rights vest in favour of the directors and their compatibility with any type of indemnification for early termination or cessation of the contractual relationship between the company and the director.

The directors in their capacity as such receive only a fixed remuneration consisting of a periodic allowance and a per diem for attendance at meetings, and the Company does not make contributions to pension plans or other long-term savings schemes.

By virtue of his executive duties and in accordance with the service provision contract, the CEO is the beneficiary of a mixed social security system to cover the contingencies of retirement, death, and total, absolute, or severe permanent disability, as well as a defined social security system that is independent of the previous social security system.

The aforementioned mixed social security system is a defined contribution system in which the CEO contributes 1% of his annual fixed remuneration and the Company contributes 5.25% of it. These defined contribution mixed savings insurance contract rights the savings component are compatible with any type of indemnity for early termination or termination of the contractual relationship between the company and the CEO.

The CEO shall lose the rights relating to the contributions made by the company in the following cases set out in the contract for the provision of services:

- Termination of the contract due to legal infringement or serious breaches of the contract that result in verifiable damage to the company.
- Voluntary resignation of the chief executive officer, not due to a change of control under the terms set out in said contract, before reaching the age of 62. During the 2023 financial year, the Chief Executive Officer reached the age of 62 and therefore this assumption no longer applies.
- Non-compliance by the CEO with the non-competition obligation after termination.

In relation to the life and accident insurance, the CEO contributes 50% of the cost of the premium (with a limit of 1.125% of the annual Fixed Remuneration) and the Company contributes 50% of the premium plus the difference of the cost in the event that the contribution of the CEO exceeds the aforementioned limit. The contingencies covered by the insurance policy are as follows: retirement, total permanent disability expressly declared by the competent administrative or judicial body, absolute permanent disability expressly declared by the competent administrative or judicial body, severe disability expressly declared by the competent administrative or judicial body, and death.

The insured capital is equivalent to 35 monthly payments of the CEO’s annual Fixed Remuneration or, in the event that contingencies result from an accident, the capital received would be equivalent to 70 of these monthly payments.

In addition, as of 1 February 2016, a defined social security system was established in addition to the mixed social security system, as an incentive to remain with the Company. The Company's contribution to the benefit system defined in 2023 has been €220,627.59. It is linked to an age of 62 or over, and the right to retirement insurance is introduced when the following conditions are met: (a) termination of the contract due to the resignation of the CEO in their position in accordance with the contractual clauses, except in case of termination due to change of control; and (b) such termination occurs at an age equal to or greater than 62 years.

Said benefit will be an amount equal to one annual Fixed Remuneration, plus the variable remuneration received in the year leading up to the termination.

In any case, the sum of the Company's contributions to this defined social security benefit system and to the mixed social security benefit system shall not exceed the sum of the payments received by the Chief Executive Officer in the last financial year, or calendar year if this amount is greater, for his membership on the Board of Directors both as Chairman and for his executive functions.

The amount of the chief executive officer's rights in 2023 for each type of policy is detailed in section C. These rights have vested in 2023, as the chief executive officer has reached the age of 62 set in the contractual conditions, although there are conditions in both cases whose fulfilment could result in the loss of these rights as they are of a generic nature and the probability of their occurrence is not material.

B.10 Explain, where applicable, the indemnification or any other type of payment deriving from the early cessation, whether at the company's or the director's initiative, or from the termination of the contract in the terms provided therein, accrued and/or received by directors during the year last ended.

No indemnities or payments have been accrued during the year as a result of cessations.

B.11 Indicate whether there have been any significant changes in the contracts of persons exercising senior management functions, such as executive directors, and, if so, explain them. In addition, explain the main conditions of the new contracts signed with executive directors during the year, unless these have already been explained in Section A.1.

There have been no modifications during the year. However, at its July meeting, the appointments and remuneration committee reported favourably on the approval by the Board of Directors of a non-significant amendment to the chief executive officer's contract, with the aim of clarifying the wording of some of its clauses, bringing it into line with one of the changes introduced by the Remuneration Policy 2023-2026.

B.12 Explain any supplementary remuneration accrued by directors in consideration of the provision of services other than those inherent in their position.

There has been no additional remuneration.

B.13 Explain any remuneration deriving from advances, loans or guarantees granted, indicating the interest rate, their key characteristics and any amounts returned, as well as the obligations assumed on their behalf by way of guarantee.

No loans, advances, or guarantees have been granted.

B.14 Itemise the remuneration in kind accrued by the directors during the year, briefly explaining the nature of the various salary components.

As explained in Section A, the Company has taken out a policy that insures the group which is formed by all the Directors against the following risks derived from accidents: death, absolute permanent disability and partial permanent disability (the risk of permanent disability is not covered for Directors who are over the age of 75). Additionally, the Company offers the Directors and their spouses the possibility of an annual medical check-up.

The CEO, for the performance of his executive duties, and in accordance with the service provision contract, is the beneficiary of a company car, family medical insurance with the option of a medical check-up or reimbursement, and mixed life and accident savings insurance. In relation to the life and accident insurance, the CEO contributes 50% of the cost of the premium (with a limit of 1.125% of the annual Fixed Remuneration) and the company contributes 50% of the premium plus the difference in cost in the event that the CEO's contribution exceeds the aforementioned limit, the risks covered by the insurance being the following: retirement, total permanent disability expressly declared by the competent administrative or judicial body, permanent absolute incapacity declared expressly by the competent administrative or judicial body, severe disability declared expressly by the competent administrative or judicial body, and death. The insured capital is equivalent to 35 monthly payments of the fixed remuneration of the CEO or, in the event that contingencies result from an accident, the capital received would be equivalent to 70 of these monthly payments.

The detail of the CEO's remuneration for these items in 2023 is included in section C.1.

B.15 Explain the remuneration accrued by any director by virtue of payments made by the listed company to a third company in which the director provides services when these payments seek to remunerate the director’s services to the company.

Not applicable.

B.16 Explain and detail the amounts accrued in the year in relation to any other remuneration concept other than that set forth above, whatever its nature or the group entity that pays it, including all benefits in any form, such as when it is considered a related-party transaction or, especially, when it significantly affects the true image of the total remuneration accrued by the director. Explain the amount granted or pending payment, the nature of the consideration received and the reasons for those that would have been considered, if applicable, that do not constitute remuneration to the director or in consideration for the performance of their executive functions and whether or not has been considered appropriate to be included among the amounts accrued under the “Other concepts” heading in Section C.

The Directors do not receive any remuneration other than those explained in the previous sections.

C ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR

Name	Type	Period of accrual in year 2023
Mr IGNACIO DE COLMENARES BRUNET	Chief Executive Officer	From 01/01/2023 to 31/12/2023
Ms ROSALÍA GIL-ALBARELLOS MARCOS	Independent Director	From 01/01/2023 to 31/12/2023
Mr JOSÉ GUILLERMO ZUBÍA GUINEA	Other External Director	From 01/01/2023 to 31/12/2023
Ms CARMEN ALICIA AQUERRETA FERRAZ	Independent Director	From 01/01/2023 to 31/12/2023
Ms IRENE HERNANDEZ ALVAREZ	Coordinating Advisor	From 01/01/2023 to 31/12/2023
Mr FERNANDO ABRIL-MARTORELL HERNÁNDEZ	Other External Director	From 01/01/2023 to 31/12/2023
Ms ROSA MARÍA GARCÍA PIÑEIRO	Independent Director	From 01/01/2023 to 31/12/2023
Mr ANGEL AGUDO VALENCIANO	Proprietary Director	From 01/01/2023 to 31/12/2023
Mr JAVIER ARREGUI ABENDIVAR	Proprietary Director	From 01/01/2023 to 31/12/2023
Mr GORKA ARREGUI ABENDIVAR	Proprietary Director	From 01/01/2023 to 31/12/2023
Mr OSCAR ARREGUI ABENDIVAR	Proprietary Director	From 01/01/2023 to 31/12/2023
Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	Proprietary Director	From 01/01/2023 to 31/12/2023
Ms MARÍA PAZ ROBINA ROSAT	Independent Director	From 01/01/2023 to 31/12/2023

C.1 Complete the following tables regarding the individual remuneration of each director (including remuneration received for performing executive duties) accrued during the year.

a) Remuneration from the reporting company:

i) Remuneration accruing in cash (thousands of euros)

Name	Fixed remuneration	Attendance fees	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total year 2023	Total year 2022
Mr IGNACIO DE COLMENARES BRUNET	135			853	382				1,370	1,337
Ms ROSALÍA GIL-ALBARELLOS MARCOS	45	22	30						97	77
Mr JOSÉ GUILLERMO ZUBÍA GUINEA	45	22	36						103	118
Ms CARMEN ALICIA AQUERRETA FERRAZ	45	22	24						91	69
Ms IRENE HERNANDEZ ALVAREZ	45	22	59						126	134
Mr FERNANDO ABRIL-MARTORELL HERNÁNDEZ	45	18	27						90	108

Ms ROSA MARÍA GARCÍA PIÑEIRO	45	22	44						111	114
Mr ANGEL AGUDO VALENCIANO	45	22	15						82	66
Mr JAVIER ARREGUI ABENDIVAR	45	22	39						106	110
Mr GORKA ARREGUI ABENDIVAR	45	22	27						94	105
Mr OSCAR ARREGUI ABENDIVAR	45	22	12						79	99
Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	45	20	9						74	95
Ms MARÍA PAZ ROBINA ROSAT	45	22	35						102	110

Observations
The breakdown of the amount indicated in the ''Salary'' column is detailed in section B.1.1. of this report.

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

Name	Name of plan	Financial instruments at start of year 2023		Financial instruments granted during year 2023		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of year 2023	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent / vested shares	Price of vested shares	EBITDA from vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
Mr IGNACIO DE COLMENARES BRUNET	2019-2023 Long-Term Incentive Plan (Cycle II)	244	244	244	244			0.00			244	
Mr IGNACIO DE COLMENARES BRUNET	2023-2027 Long-Term Incentive Plan (Cycle I)	694	694	694	694			0.00			694	

Observations
The figure of 694 (thousand €) is the maximum number of shares that correspond to Mr Colmenares in Cycle I (2023-2025) in the case of reaching the target level (100%) of the 2023-2027 Long-Term Incentive Plan. In a scenario of achievement beyond targets, the maximum number of shares to be delivered would amount to 150% of the previous number. The figure of 244 (thousand €) is the maximum number of shares that correspond to Mr Colmenares in Cycle II (2019-2023) in the case of reaching the target level (100%) of the 2019-2023 Long-Term Incentive Plan. In a scenario of achievement beyond targets, the maximum number of shares to be delivered would amount to 130%.

iii) Long-term savings schemes

	Remuneration from vesting of rights to savings schemes
Mr IGNACIO DE COLMENARES BRUNET	38

	Contribution for the year by the company (thousands of euros)	Amount of accrued funds (thousands of euros)

Name	Savings schemes with vested economic rights		Savings schemes with non-vested economic rights					
	Year 2023	Year 2022	Year 2023	Year 2022	Year 2023		Year 2022	
					Schemes with vested economic rights	Schemes with non-vested economic rights	Schemes with vested economic rights	Schemes with non-vested economic rights
Mr IGNACIO DE COLMENARES BRUNET	258	219			2,153	1,853		

Observations
The data reported in the table refer to the two long-term savings schemes for the Chairman and CEO reported throughout this report. The breakdown is as follows: The Company's contribution to the mixed saving system defined in 2023 was €37,822.09 and in 2022 it was €35,000. The amount of funds accumulated in 2023 under this scheme is €636,572.05. The Company's contribution to the benefit system defined in 2023 was €220,627.59 and in 2022 it was €184,000. The amount of funds accumulated in 2023 under this scheme is €1,516,870.65. For the purposes of clarification, the amounts accumulated in the fund are the sum of the amount contributed adjusted by the return obtained by the fund during the financial year. It is also indicated that the vesting has taken place during the year 2023, as the chief executive officer has reached the age of 62, as explained in sections A and B above of this report.

iv) Details of other items

Name	Concept	Amount of remuneration
Mr IGNACIO DE COLMENARES BRUNET	Accident insurance, medical examination and vehicle	12
Mr IGNACIO DE COLMENARES BRUNET	Life insurance premiums	9
Ms ROSALÍA GIL-ALBARELLOS MARCOS	Accident insurance and medical examination	2
Mr JOSÉ GUILLERMO ZUBÍA GUINEA	Accident insurance and medical examination	2
Ms CARMEN ALICIA AQUERRETA FERRAZ	Accident insurance	1
Ms IRENE HERNANDEZ ALVAREZ	Accident insurance	1
Mr FERNANDO ABRIL-MARTORELL HERNÁNDEZ	Accident insurance and medical examination	4
Ms ROSA MARÍA GARCÍA PIÑEIRO	Accident insurance and medical examination	3
Mr ANGEL AGUDO VALENCIANO	Accident insurance and medical examination	2
Mr JAVIER ARREGUI ABENDIVAR	Accident insurance and medical examination	3

Mr GORKA ARREGUI ABENDIVAR	Accident insurance	1
Mr OSCAR ARREGUI ABENDIVAR	Accident insurance	1
Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	Accident insurance and medical examination	3
Ms MARÍA PAZ ROBINA ROSAT	Accident insurance and medical examination	3

Observations

b) Remuneration of directors of the listed company for seats on the boards of other subsidiary companies:

i) Remuneration accruing in cash (thousands of euros)

Name	Fixed remuneration	Attendance fees	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total year 2023	Total year 2022
Mr IGNACIO DE COLMENARES BRUNET										

Observations
D. Ignacio de Colmenares Brunet is the only director who is an individual representative, sole director, joint and several administrator or director of other group companies, but does not receive any remuneration for the performance of his duties.

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

Name	Name of plan	Financial instruments at start of year 2023		Financial instruments granted during year 2023		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of year 2023	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/vested shares	Price of vested shares	EBITDA from vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
No data												

Observations

iii) Long-term savings schemes

	Remuneration from vesting of rights to savings schemes
No data	

Name	Contribution for the year by the company (thousands of euros)				Amount of accrued funds (thousands of euros)			
	Savings schemes with vested economic rights		Savings schemes with non-vested economic rights		Year 2023		Year 2022	
	Year 2023	Year 2022	Year 2023	Year 2022	Schemes with vested economic rights	Schemes with non-vested economic rights	Schemes with vested economic rights	Schemes with non-vested economic rights
No data								

Observations

iv) Details of other items

Name	Concept	Amount of remuneration
No data		

Observations

c) Summary of remuneration (thousands of euros):

This summary must include the amounts corresponding to all the remuneration items included in this report that have accrued to each director, in thousands of euros.

Name	Remuneration accruing in the Company					Remuneration accruing in group companies					
	Total cash remuneration	EBITDA from vested shares or financial instruments	Remuneration by way of savings systems	Other items of remuneration	Total in year 2023, company	Total cash remuneration	Gross benefit of vested shares or financial instruments	Remuneration by way of savings systems	Other items of remuneration	Total in year 2023, group	Total in year 2023 company + group
Mr IGNACIO DE COLMENARES BRUNET	1,370		38	21	1,429						1,429
Ms ROSALÍA GIL-ALBARELLOS MARCOS	97			2	99						99

Mr JOSÉ GUILLERMO ZUBÍA GUINEA	103			2	105						105
Ms CARMEN ALICIA AQUERRETA FERRAZ	91			1	92						92
Ms IRENE HERNANDEZ ALVAREZ	126			1	127						127
Mr FERNANDO ABRIL-MARTORELL HERNÁNDEZ	90			4	94						94
Ms ROSA MARÍA GARCÍA PIÑEIRO	111			3	114						114
Mr ANGEL AGUDO VALENCIANO	82			2	84						84
Mr JAVIER ARREGUI ABENDIVAR	106			3	109						109
Mr GORKA ARREGUI ABENDIVAR	94			1	95						95
Mr OSCAR ARREGUI ABENDIVAR	79			1	80						80
Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	74			3	77						77
Ms MARÍA PAZ ROBINA ROSAT	102			3	105						105
TOTAL	2,525		38	47	2,610						2,610

Observations

C.2 Indicate the evolution in the last five years of the amount and percentage variation of the remuneration accrued by each of the directors of the listed company who have held this position during the year, the consolidated results of the company and the average remuneration on an equivalent basis with regard to full-time employees of the company and its subsidiaries that are not directors of the listed company.

	Total amounts accrued and % annual variation								
	Year 2023	**% variation 2023/2022**	**Year 2022**	**% variation 2022/2021**	**Year 2021**	**% variation 2021/2020**	**Year 2020**	**% variation 2020/2019**	**Year 2019**
Executive directors									
Mr IGNACIO DE COLMENARES BRUNET	1,430	1.13	1,414	112.31	666	-47.10	1,259	-14.30	1,469
External directors									
Mr ANGEL AGUDO VALENCIANO	83	25.76	66	-	0	-	0	-	0
Mr FERNANDO ABRIL-MARTORELL HERNÁNDEZ	93	-13.08	107	-17.69	130	9.24	119	16.67	102
Mr JOSÉ GUILLERMO ZUBÍA GUINEA	105	-11.02	118	-22.37	152	2.70	148	11.28	133
Ms CARMEN ALICIA AQUERRETA FERRAZ	91	31.88	69	-	0	-	0	-	0
Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	76	-19.15	94	-14.55	110	n.s	6	-	0
Ms ROSA MARÍA GARCÍA PIÑEIRO	114	0.00	114	-1.72	116	-1.69	118	16.83	101
Ms IRENE HERNANDEZ ALVAREZ	127	-5.22	134	-6.94	144	10.77	130	103.13	64

Ms ROSALÍA GIL-ALBARELLOS MARCOS	99	28.57	77	-	0	-	0	-	0
Mr GORKA ARREGUI ABENDIVAR	94	-4.08	98	-6.67	105	-	0	-	0
Mr JAVIER ARREGUI ABENDIVAR	108	-1.82	110	37.50	80	-	0	-	0
Mr OSCAR ARREGUI ABENDIVAR	79	-19.39	98	-6.67	105	-	0	-	0
Ms MARÍA PAZ ROBINA ROSAT	105	-4.55	110	54.93	71	-	0	-	0
Consolidated results of the company	-33	-	254	-	-193	-421.62	-37	-	11
Average employee remuneration	66	4.76	63	10.53	57	-8.06	62	-7.46	67

Observations

D OTHER INFORMATION OF INTEREST

If there are any significant issues relating to directors' remuneration that it has not been possible to include in the foregoing sections of this report, but which it is necessary to include in order to provide more comprehensive and reasoned information on the remuneration structure and practices of the company with regard to its directors, list them briefly.

This annual remuneration report was approved by the Board of Directors of the company in its meeting of 29/02/2024.

Indicate whether any director voted against or abstained from approving this report.

Yes ☐ No √

Name or company name of any member of the Board of Directors not voting in favour of the approval of this report	Reasons (against, abstention, non attendance)	Explain the reasons