

APPENDIX II:

**Template and statistics on the Annual Corporate Governance Report under
CNMV Circular 5/2013**

ANNEX I TEMPLATE

**ANNUAL CORPORATE GOVERNANCE REPORT
OF LISTED PUBLIC LIMITED 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 CORPORATE GOVERNANCE REPORT
OF LISTED PUBLIC LIMITED COMPANIES**

A OWNERSHIP STRUCTURE

A1 Complete the following table on share capital and the attributed voting rights, including those corresponding to shares with a loyalty vote as of the closing date of the year, where appropriate:

Indicate whether company bylaws contain the provision of double loyalty voting:

No

Yes

Board approval date

Minimum period of uninterrupted ownership required by the statutes

Indicate whether the company has awarded votes for loyalty:

No

Yes

Date of the last modification of the share capital	Share capital	Number of shares	Number of voting rights (not including additional loyalty-attributed votes)	Number of additional attributed voting rights corresponding to shares with a loyalty vote	Total number of voting rights, including additional loyalty-attributed votes
11 May 2017	221,645,250.00	246,272,500			246,272,500

Number of shares registered in the special register pending the expiry of the loyalty period

Observations

Indicate whether there are different classes of shares with different associated rights:

Yes

No

Class	Number of shares	Par value	Number of voting rights	Rights and obligations conferred

Observations

A2 List the company's significant direct and indirect shareholders at year end, including directors with a significant shareholding:

Name or company name of shareholder	% of voting rights attached to the shares (including votes for loyalty)		% of voting rights through financial instruments		% of total voting rights	From the total number of voting rights attributed to the shares, indicate, where appropriate, the additional votes attributed corresponding to the shares with a loyalty vote	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Mr JUAN LUIS ARREGUI CIARSOLO	0.20	29.24	0.00	0.00	29.44		
RETOS OPERATIVOS XXI, S.L.	29.24	0.00	0.00	0.00	29.44		
TURINA 2000, S.L.	0.00	29.24	0.00	0.00	29.24		
Mr VÍCTOR URRUTIA VALLEJO	0.00	7.29	0.00	0.00	7.29		
Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	0.00	6.38	0.00	0.00	6.38		
ASÚA INVERSIONES, S.L.	7.29	0.00	0.00	0.00	7.29		
MENDIBEA 2002, S.L.	6.38	0.00	0.00	0.00	6.38		

Observations

Breakdown of the indirect holding:

Name or company name of the indirect owner	Name or company name of the direct owner	% of voting rights attached to the shares (including votes for loyalty)	% of voting rights through financial instruments	% of total voting rights	From the total number of voting rights attributed to the shares, indicate, where appropriate, the additional votes attributed corresponding to the shares with a loyalty vote	
Mr VÍCTOR URRUTIA VALLEJO	ASÚA INVERSIONES, S.L.	7.29	0.00	7.29		
Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	MENDIBEA 2002, S.L.	6.38	0.00	6.38	-	-

Mr JUAN LUIS ARREGUI CIARSOLO	RETOS OPERATIVOS XXI, S.L.	29.24	0.00	29.24		
TURINA 2000, S.L.	RETOS OPERATIVOS XXI, S.L.	29.24	0.00	29.24		

Observations

Indicate the most significant changes in the shareholder structure during the year:

Most significant movements

A3 Give details of the participation at the close of the fiscal year of the members of the board of directors who are holders of voting rights attributed to shares of the company or through financial instruments, whatever the percentage, excluding the directors who have been identified in Section A2 above:

Name or company name of director	% voting rights attributed to shares (including loyalty votes)		% of voting rights through financial instruments		% of total voting rights	From the total % of voting rights attributed to the shares, indicate, where appropriate, the % of the additional votes attributed corresponding to the shares with a loyalty vote			
	Direct	Indirect	Direct	Indirect		Direct	Indirect		
Mr FERNANDO ABRIL-MARTEORELL HERNÁNDEZ	0.37	0.00	0.00	0.00	0.37	0.00	0.00		
Mr IGNACIO DE COLMENARES BRUNET	0.15	0.00	0.00	0.00	0.15	0.00	0.00		
Mr JOSE GUILLERMO ZUBIA GUINEA	0.02	0.00	0.00	0.00	0.02	0.00	0.00		
Mr JAVIER ARREGUI ABENDIVAR	0.01	0.00	0.00	0.00	0.01	0.00	0.00		
Ms IRENE HERNÁNDEZ ÁLVAREZ	0.01	0.00	0.00	0.00	0.01	0.00	0.00		
Mr ANGEL AGUDO VALENCIANO	0.06	0.00	0.00	0.00	0.06	0.00	0.00		

Total percentage of voting rights held by the Board of Directors	43.73
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Observations

Breakdown of the indirect holding:

Name or company name of director	Name or company name of the direct owner	% voting rights attributed to shares (including loyalty votes)	% of voting rights through financial instruments	% of total voting rights			From the total % of voting rights attributed to the shares, indicate, where appropriate, the % of the additional votes attributed corresponding to the shares with a loyalty vote
No data							

Observations

List the total percentage of voting rights represented on the board:

Total percentage of voting rights held by the Board of Directors	43.73
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Observations

A.4 If applicable, indicate any family, commercial, contractual or corporate relationships that exist among significant shareholders to the extent that they are known to the company, unless they are insignificant or arise in the ordinary course of business, with the exception of those reported in section A.6:

Name or company name of related party	Nature of relationship	Brief description
No data		

A5 If applicable, indicate any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or its group, unless they are insignificant or arise in the ordinary course of business:

Name or company name of related party	Nature of relationship	Brief description
No data		

- A.6 Unless insignificant for both parties, describe the relationships that exist between significant shareholders, shareholders represented on the Board and directors or their representatives in the case of directors that are legal persons.

Explain, if applicable, how the significant shareholders are represented. Specifically, indicate those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders, or who are linked to significant shareholders and/or companies in their group, specifying the nature of such relationships or ties. In particular, mention the existence, identity and post of any directors of the listed company, or their representatives, who are in turn members or representatives of members of the Board of Directors of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders.

Name or company name of related director or representative	Name or company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship/post
Mr JAVIER ARREGUI ABENDIVAR	RETOS OPERATIVOS XXI, S.L.	RETOS OPERATIVOS XXI, S.L.	Director
Mr ÓSCAR ARREGUI ABENDIVAR	RETOS OPERATIVOS XXI, S.L.	RETOS OPERATIVOS XXI, S.L.	Director
Mr GORKA ARREGUI ABENDIVAR	RETOS OPERATIVOS XXI, S.L.	RETOS OPERATIVOS XXI, S.L.	Director
Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	MENDIBEA 2002, S.L.	MENDIBEA 2002, S.L.	Sole Administrator
Mr ANGEL AGUDO VALENCIANO	ASÚA INVERSIONES, S.L.	ASÚA INVERSIONES, S.L.	DIRECTOR

Observations

- A.7. Indicate whether the company has been notified of any shareholders' agreements that may affect it, in accordance with the provisions of Articles 530 and 531 of the Spanish Corporate Enterprises Act. If so, describe them briefly and list the shareholders bound by the agreement:

Yes

No

Parties to the shareholders' agreement	% of share capital concerned	Brief description of the agreement	Expiry date of the agreement, if any

Observations

Indicate whether the company is aware of any concerted actions among its shareholders. If so, provide a brief description:

Yes No

Parties to the concerted action	% of share capital concerned	Brief description of the concerted action	Expiry date of the concert, if any

Observations

If any of the aforementioned agreements or concerted actions have been amended or terminated during the year, indicate this expressly:

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- A.8 Indicate whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Securities Market Act. If so, identify them:

Yes No

Name or company name

Observations

- A.9 Complete the following table with details of the company's treasury shares:

At the close of the year:

Number of direct shares	Number of indirect shares (*)	Total percentage of share capital
3,871		1.57

Observations

(*) Through:

Name or company name of direct shareholder	Number of direct shares
No data	
Total:	

Observations

Explain any significant changes during the year:

Explain significant changes
There were no significant variations in treasury stock during the year.

A.10 Provide a detailed description of the conditions and terms of the authority given to the Board of Directors to issue, repurchase, or dispose of treasury shares.

<p>The Annual General Meeting of Shareholders held on 31 March 2022 authorised the company to acquire its own shares, by purchase or by any other valuable consideration. This acquisition may be made at any time and as often as it is deemed appropriate, either directly or through subsidiaries of which it is the parent company.</p> <p>The minimum acquisition price or consideration will be equivalent to the nominal value of the treasury shares acquired, and the maximum acquisition price or consideration will be the equivalent to the list value of the treasury shares acquired in an official secondary market at the time of acquisition.</p> <p>This authorisation was granted for a term of five years from the date of the aforementioned Meeting, and was subject to the limitation that at no time will the nominal value of the treasury shares acquired in use of the authorisation, added to that of those already in possession of Ence Energía y Celulosa, S.A. and any of its controlled subsidiaries exceed the maximum amount allowed by law at any time.</p> <p>The Board of Directors was also authorised to carry out the derivative acquisition of Ence Energía y Celulosa, S.A. shares under the terms set forth and so that it could allocate, in whole or in part, the treasury shares already acquired and those acquired by virtue of the previous authorisation to disposal or amortisation, or implement remuneration systems consisting of or the purpose of delivering shares or option rights of Ence Energía y Celulosa, S.A. shares to workers and executives pursuant to the provisions of section 1.a) in Article 146 of the Capital Companies Act, as well as dividend reinvestment plans or similar shareholder remuneration instruments.</p>

A.11 Estimated float:

	%
Estimated float	54.70

Observations
Estimated on the basis of share capital minus significant shareholdings, shares held by the board of directors and treasury shares.

A.12 Indicate whether there are any restrictions (articles of incorporation, legislative or of any other nature) placed on the transfer of shares and/or any restrictions on voting rights. In particular, indicate the existence of any type of restriction that may inhibit a takeover of the company through acquisition of its shares on the market, as well as such regimes for prior authorisation or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.

Yes

No

Description of restrictions
Royal Decree-Laws 8/2020, 11/2020, and 34/2020 established certain restrictions on foreign investment - including intra-Community investors - which affect ENCE ENERGÍA Y CELULOSA S.A., both as a listed company and because it operates in a sector subject to investment control. Likewise, Royal Decree-Law 20/2022, of 27 December, extending certain economic measures to support the recovery, Article 62 of which modifies the sole transitory provision of RDL 34/2020 in the sense of extending the authorisation regime for foreign direct investment by residents of other European Union and European Free Trade Association countries until 31 December 2024.

A.13 Indicate whether the general shareholders' meeting has resolved to adopt measures to neutralise a takeover bid by virtue of the provisions of Law 6/2007.

Yes No

If so, explain the measures approved and the terms under which such limitations would cease to apply:

Explain the measures approved and the terms under which such limitations would cease to apply

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

Yes No

If so, indicate each share class and the rights and obligations conferred.

Indicate the various share classes
On 24 November 2017, the subsidiary MAGNON GREEN ENERGY, S.L. (at that time ENCE ENERGÍA, S.L.U.), made a bond issue for the amount of €50 million, maturing on 24 November 2025. On 8 November 2018, MAGNON GREEN ENERGY, S.L. made an additional issue of fungible bonds for an amount of €43 million. These bonds are listed in the multilateral trading system called Open Market (Freiverkehr) on the Frankfurt Stock Exchange. On 9 October 2023, the Company incorporated a promissory note issue programme under the name "ENCE 2023 Sustainable Promissory Note Programme" in the multilateral trading system "Mercado Alternativo de Renta Fija (MARF)", with a maximum outstanding balance of two hundred million (200,000,000) euros and with maturities of up to 24 months.

B GENERAL SHAREHOLDERS' MEETING

B.1 Indicate whether there are any differences between the minimum quorum regime established by the Spanish Corporate Enterprises Act for General Shareholders' Meetings and the quorum set by the company, and if so give details.

Yes No

	% quorum different from that established in Article 193 of the Spanish Corporate Enterprises Act for general matters	% quorum different from that established in Article 194 of the Spanish Corporate Enterprises Act for special resolutions
Quorum required at 1st call		
Quorum required at 2nd call		

Description of differences

B.2 Indicate whether there are any differences between the company's manner of adopting corporate resolutions and the regime provided in the Spanish Corporate Enterprises Act and, if so, give details:

Yes

No

Describe how it is different from the regime provided in the Spanish Corporate Enterprises Act.

	Qualified majority other than that set forth in Article 201.2 of the Corporate Enterprises Act for matters referred to in Article 194.1 of this Act	Other matters requiring a qualified majority
% established by the company for the adoption of resolutions		

Describe the differences

B.3 Indicate the rules for amending the company's articles of incorporation. In particular, indicate the majorities required for amendment of the articles of incorporation and any provisions in place to protect shareholders' rights in the event of amendments to the articles of incorporation.

<p>The amendment of the Ence Energía y Celulosa, S.A. Articles of Association is governed by the provisions of the Capital Companies Act and its own Articles of Association, which are established in the legal regime.</p> <p>Thus, in the first call, the concurrence of shareholders present or represented who have at least fifty percent of the subscribed capital with the right to vote is required to be able to ratify any amendment to the articles of association. On second call, the attendance of twenty-five per cent of said capital shall be sufficient.</p> <p>Once the meeting has been validly constituted, in order to approve any amendment to the articles of association, a favourable vote of half plus one of the shares with voting rights present</p>

or represented, or two thirds, is required when in the second call the attendance quorum does not reach fifty percent.

B.4 Give details of attendance at General Shareholders' Meetings held during the reporting year and the two previous years:

Date of general meeting	Attendance data				Total
	% physical presence	% present by proxy	% distance voting		
			Electronic voting	Other	
26 March 2021	38.58	20.28	0.01	1.48	60.35
Of which float:	0.00	13.90	0.01	1.48	15.39
31 March 2022	37.78	17.38	0.01	1.84	57.01
Of which float:	0.28	10.09	0.01	1.84	12.22
05 May 2023	37.74	15.78	0.03	0.38	53.93
Of which float:	0.18	8.49	0.03	0.38	9.08

Observations
<p>The 2021 general meeting was held exclusively remotely, as a consequence of the COVID-19 pandemic, thus the information on "physical presence" refers to virtual presence through duly accredited remote attendance during the holding of the Annual General Meeting of Shareholders through the platform made available to the shareholders by the Company.</p> <p>The 2022 and 2023 general meetings were held in-person, thus the information on "physical presence" refers to both physical presence of shareholders and virtual presence through duly accredited remote attendance during the holding of the Annual General Meeting of Shareholders through the platform made available to the shareholders by the Company.</p>

B.5 Indicate whether any point on the agenda of the General Shareholders' Meetings during the year was not approved by the shareholders for any reason.

Yes No

Items on the agenda not approved	% vote against (*)

(*) If the non-approval of the point was for a reason other than the votes against, this will be explained in the text part and "N/A" will be placed in the "% votes against" column.

B.6 Indicate whether the articles of incorporation contain any restrictions requiring a minimum number of shares to attend General Shareholders' Meetings, or to vote remotely:

Yes No

Number of shares required to attend General Meetings	
Number of shares required for voting remotely	

Observations

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B.7 Indicate whether it has been established that certain decisions, other than those established by law, entailing an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions must be submitted for approval to the General Shareholders' Meeting.

Yes No

Explain the decisions that must be submitted to the General Shareholders' Meeting, other than those established by law

B.8 Indicate the address and manner of access on the company's website to information on corporate governance and other information regarding General Shareholders' Meetings that must be made available to shareholders through the company website.

On the Company's website, www.ence.es , click on Investors and Corporate Governance.

C STRUCTURE OF THE COMPANY'S ADMINISTRATION

C.1 Board of Directors

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

Maximum number of directors	16
Minimum number of directors	8
Number of directors set by the general meeting	13

Observations

C.1.2 Complete the following table on Board members:

Name or company name of director	Representative	Category of director	Position on the board	Date first appointed	Date of last appointment	Election procedure	Date of birth
Ms IRENE HERNÁNDEZ ÁLVAREZ		Independent	INDEPENDENT (COORDINATING DIRECTOR)	28 March 2019	31 March 2022	ANNUAL GENERAL MEETING OF SHAREHOLDERS AGREEMENT	

Mr IGNACIO DE		Executive	CHAIRMAN-CHIEF EXECUTIVE OFFICER	22 December 2010	05 May 2023	ANNUAL GENERAL MEETING OF SHAREHOLDERS AGREEMENT	
Mr FERNANDO ABRIL-MARTORELL HERNÁNDEZ		Other external member	DIRECTOR	30 March 2007	31 March 2022	ANNUAL GENERAL MEETING OF SHAREHOLDERS AGREEMENT	
Ms MARÍA PAZ ROBINA ROSAT		Independent	DIRECTOR	26 March 2021	26 March 2021	ANNUAL GENERAL MEETING OF SHAREHOLDERS AGREEMENT	
Mr JOSE GUILLERMO ZUBIA GUINEA		Other external member	DIRECTOR	30 March 2007	31 March 2022	ANNUAL GENERAL MEETING OF SHAREHOLDERS AGREEMENT	
Mr JAVIER ARREGUI ABENDIVAR		Proprietary Director	DIRECTOR	26 March 2021	26 March 2021	ANNUAL GENERAL MEETING OF SHAREHOLDERS AGREEMENT	
Ms ROSALÍA GIL-ALBARELLOS MARCOS		Independent	DIRECTOR	31 March 2022	31 March 2022	ANNUAL GENERAL MEETING OF SHAREHOLDERS AGREEMENT	
Mr ÓSCAR ARREGUI ABENDIVAR		Proprietary Director	DIRECTOR	26 March 2021	26 March 2021	ANNUAL GENERAL MEETING OF SHAREHOLDERS AGREEMENT	
Ms CARMEN AQUERRETA FERRAZ		Independent	DIRECTOR	31 March 2022	31 March 2022	ANNUAL GENERAL MEETING OF SHAREHOLDERS AGREEMENT	
Ms ROSA MARÍA GARCÍA PIÑEIRO		Independent	DIRECTOR	22 March 2018	26 March 2021	ANNUAL GENERAL MEETING OF SHAREHOLDERS AGREEMENT	
Mr GORKA ARREGUI ABENDIVAR		Proprietary Director	DIRECTOR	26 March 2021	26 March 2021	ANNUAL GENERAL MEETING OF SHAREHOLDERS AGREEMENT	
Mr JOSÉ IGNACIO COMENGE SÁNCHEZ- REAL		Proprietary Director	DIRECTOR	20 December 2020	26 March 2021	ANNUAL GENERAL MEETING OF SHAREHOLDERS AGREEMENT	
Mr ANGEL AGUDO VALENCIANO		Proprietary Director	DIRECTOR	31 March 2022	31 March 2022	ANNUAL GENERAL MEETING OF SHAREHOLDERS AGREEMENT	

Total number of directors	13
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Indicate any cessations, whether through resignation or by resolution of the general meeting, that have taken place in the Board of Directors during the reporting period:

Name or company name of director	Category of the director at the time of cessation	Date of last appointment	Date of cessation	Specialised committees of which he/she was a member	Indicate whether the director left before the end of his or her term of office
No data					

Reason for cessation when this occurs before the end of the term of office and other observations; information on whether the director has sent a letter to the remaining members of the board and, in the case of cessation of non-executive directors, explanation or opinion of the director dismissed by the general meeting

C.1.3 Complete the following tables on the members of the Board and their categories:

EXECUTIVE DIRECTORS

Name or company name of director	Post in organisation chart of the company	Profile
Mr IGNACIO DE COLMENARES BRUNET	CHAIRMAN-CHIEF EXECUTIVE OFFICER	<p>He holds a law degree from the Central University of Barcelona and a Master's degree in Economics and Business Management from the IESE Business School in Barcelona. He has had a long professional career in the steel and energy sector. He was an Export and Trading Manager for Compañía Española de Laminación, born out of the CELSA steel group. Subsequently, he held the position of Commercial Director of Nueva Montaña Quijano, a common steel company, and was General Sales Director for the CELSA Trefilerías Group. In 1996, he became the Managing Director of Trenzas y Cable de Acero-TYCSA, a company specialising in the manufacture of steel cable, aluminium, and optical fibre. Subsequently, in 2001, he joined the Global Steel Wire steel group as Managing Director, a position that he combined with that of Corporate Development Director for the CELSA Group. Before joining Ence, in 2008 he became CEO of Isofotón, a company producing photovoltaic panels and developing solar installations, in which he restructured the company from a technological, industrial and commercial perspective. He has also been Chairman and CEO of Bergé Lift, a group of companies dedicated to the import, distribution, rental and maintenance of handling equipment. He is currently a member of the Board of Directors of the Spanish Association of Pulp, Paper and Cardboard Manufacturers</p>

	(ASPAPPEL) and a Director and Member of the Investment Committee for Corporación Financiera Alba.
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Total number of executive directors	1
Percentage of Board	7.69

Observations

EXTERNAL PROPRIETARY DIRECTORS

Name or company name of director	Name or company name of the significant shareholder represented by the director or that nominated the director	Profile
Mr JAVIER ARREGUI ABENDIVAR	RETOS OPERATIVOS XXI, S.L.	(Born 1970) He has an undergraduate degree in Business Administration from the University of Saint Louis (Missouri, USA) and a postgraduate degree in Finance from San Andrés University (Buenos Aires, Argentina). He has occupied different positions of responsibility within Grupo Seche, and he has been Board of Directors member with Cesa, Grupo Guascor, and Foresta Capital, among others. Before his appointment as the natural person representing TURINA 2000, S.L., the office he held in Ence was Managing Director of international development and forestry assets, forming part of the company's management committee.
Mr ÓSCAR ARREGUI ABENDIVAR	ETOS OPERATIVOS XXI, S.L.	(Born 1973) He holds a degree in industrial engineering (specialising in electricity) from the Higher Technical School of Bilbao and a Master's in Business Administration (MBA) from the IESE Business School. He has held several positions of responsibility within the Guascor Group in the fields of both research and development and its expansion into the North American market. He is currently a Director of Dehesa del Corcho XXI, S.L. and Dehesa del Castillo XXI, S.L., and a Member of the Board of Turina 2000, S.L.
Mr GORKA ARREGUI ABENDIVAR	RETOS OPERATIVOS XXI, S.L.	(Born 1975) With a degree in Law, he has held positions of responsibility in companies in the industrial, energy, agri-food and forestry investment sectors, among others. He is currently a Member of the Board of Directors of companies belonging to these sectors such as Ciresco S.A., Gopisa, S.A., and Investigación y Desarrollo Agrario, S.A.

<p>Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL</p>	<p>MENDIBEA 2002, S.L.</p>	<p>(Born 1951) José Ignacio Comenge Sánchez-Real held several positions in the Banco Hispano Americano between 1973 and 1983, such as Deputy Director of Foreign Trade and Director of Large Companies. From 1984 to 2002 he held the following positions in MUTUA MADRILEÑA AUTOMOVILISTA: Director of the Finance Department and Vice-chairman of the Board of Directors.</p> <p>He currently holds the position of Chairman in the company Ball Beverage Can Iberica, S.L.; and is a Director for the companies COCA-COLA EUROPEAN PARTNERS, plc; EBRO FOODS S.A.; Dosval, S.L., Ba Glas, S.A., Compañía Vinícola del Norte de España, S.A. and OLIVE PARTNERS, S.A. (the Director in these last two companies is MENDIBEA 2002, S.L.). He is also sole director of Globotrans, S.L. and Blig 13-13, S.L.</p>
<p>Mr ANGEL AGUDO VALENCIANO</p>	<p>ASÚA INVERSIONES, S.L.</p>	<p>(Born 1973) He has a degree in industrial engineering from ICAI, specialising in mechanics (Madrid) and an MBA from IMD (Lausanne, Switzerland). He is currently CEO of the Asúa Inversiones family office. He began his professional career at LVMH in Madrid, subsequently working for fund manager Fidelity Investments. He has been managing global and American equity funds for institutional clients in Europe and Asia for 18 years.</p>

<p>Total number of proprietary directors</p>	<p>5</p>
<p>Percentage of Board</p>	<p>38.46</p>

<p>Observations</p>

EXTERNAL INDEPENDENT DIRECTORS

<p>Name or company name of director</p>	<p>Profile</p>
<p>Ms IRENE HERNÁNDEZ ÁLVAREZ</p>	<p>(Born 1965) She has a degree in Economics and Business Administration from ICADE. She was granted the Special Graduation Award and Second National Prize for Economics. She began her professional career at JP Morgan in Madrid and New York, from 1987 to 2001, where she was responsible for major fixed and variable income operations in national and international markets. She has had an outstanding career in financial advisory services for family businesses. She is one of the founding partners of the company Impulsa Capital, dedicated to corporate financial advisory services in the private capital/risk capital segment and is a Registered Adviser for BME Growth and a Listing Sponsor for Euronext. She is currently an Independent Director for Saint Croix Holding Immobilier SOCIMI, S.A. and an Independent Director for Elecnor, S.A.</p>
<p>Ms MARÍA PAZ ROBINA ROSAT</p>	<p>(Born 1964) She has a degree in Chemical Sciences from the University of Valladolid. She has spent her entire professional career at Michelin Spain and Portugal where she was the first woman to hold each and every position she undertook. In February 1988, she joined Michelin Spain at the Vitoria factory, holding various positions of responsibility within the quality and manufacturing areas in the production of semi-finished products. In February 1993, she transferred to the Aranda de Duero factory continuing in the area</p>

	<p>of Quality and Industrialisation, being in charge of Quality Assurance for the manufacturing of lorry tyres. In June 2004, she worked at the Central office in Valladolid in the role of Staff Management, Training and Administration Manager for the whole of Michelin Spain and Portugal. From July 2009, for 7 years, she managed the lorry tyre factory in Aranda de Duero. In August 2016, she took over the management of the Michelin Industrial Centre in Álava, one of the largest in the world, comprising 4 industrial activities in Vitoria and a logistics centre in Araia. Currently, since March 2019, she has been the Human Resources Director, Managing Director and Chairwoman of the Board of Directors of Michelin España Portugal S.A. She is also President of the Board of Directors of Signus Ecovalor, the Executive Board of the Rubber Consortium and the Governing Board of the FACYL automotive cluster.</p>
<p>Ms ROSALÍA GIL-ALBARELLOS MARCOS</p>	<p>(Born 1960) She has a degree in engineering from the Polytechnic University of Madrid and a Master's in Environment and Urban Planning from the Polytechnic University of Valencia.</p> <p>Additionally, she completed a General Management Programme (GMP) at the IESE Business School. From 1987 to 1992, she worked as an environmental project technician at various engineering companies such as Inypsa, Desherca and Natural Spaces. In 1992, she joined Prointec (subsequently acquired by the Indra Group) and worked at this company until 2021. She held various management positions there such as Operations Director and Director of the Environment, Water and Ports department. Since July 2021, she has been Director of the Environment, Water Engineering and Sustainability department of Proes (Amper Group). During her time as Operations Director for Prointec (2011 to 2014), she was in charge of a deal worth 60 million euros as production manager. She was in charge of a team of 800 people in Spain and 400 people abroad. She was a member of the governing board of Tecniberia (engineering management) and chairwoman of its environmental committee from 2015 to 2021, where she brought about the creation of the "Women in Engineering" Committee. She is currently Director of the Environment, Water Engineering and Sustainability Department of PROES (AMPER Group) and Sustainability Director of AMPER Group. He is also a member of the Madrid Association of Forestry Engineers.</p>
<p>Ms CARMEN AQUERRETA FERRAZ</p>	<p>(Born 1968) She has a degree in Economics and Business Studies and in Law from the Comillas Pontifical University, and a Master's in International Relations from Johns Hopkins University. She has had an extensive professional career in the consulting sector. During her professional career she has worked for large entities such as Andersen, in Madrid, in the role of global strategy and planning director (tax and legal), BCG – Boston Consulting Group and the Mitchell Madison Group, where she managed the group's global diversification strategy for consumer goods, as well as its commercial and risk strategy for the national financial entity. She was a partner of Deloitte United Kingdom and Deloitte North West Europe (2006-2019), where she led intangible assets and intellectual property operations, global relations with the company Vodafone Plc and numerous large-scale projects for BAE Systems and Thales, among others.</p> <p>Additionally, she has worked as a lawyer for the World Bank (Washington) where she developed the KPIs and strategy for judicial reform in the Latin America division. She has also been an Independent Director of Indra Sistemas, S.A., is an Independent Director for the Andbank Group, a member of its Audit Committee and Chairwoman of its Appointments and Remuneration Committee. She is a member of the Círculo de Empresarios.</p>
<p>Ms ROSA MARÍA GARCÍA PIÑEIRO</p>	<p>(Born 1974) She holds a degree in Industrial Engineering from the University of Vigo and a Master's degree in Business Administration and Management from the University of Geneva, as well as a Master's degree in Environmental Engineering from the EOI Business School of Madrid. She has extensive experience in the industrial sector, with a notable focus on the environment and sustainability, and with an international vision. She has</p>

	spent her professional career at Alcoa, where she has held positions such as Environmental Engineer, Internal Environmental and Occupational Health and Safety Auditor, Director of Occupational Health and Safety, Director of Government Affairs and Sustainability for Europe, and Chairwoman of Alcoa Inespal, S.L. in Spain. Her last positions at Alcoa, until February 2024, were Vice President of Alcoa Global Sustainability and Chair of the Alcoa Foundation. She is currently an independent director on the board of directors of Acerinox, S.A. and PowerCo (Volkswagen Group).
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Total number of independent directors	5
Percentage of Board	38.46

Observations

Indicate whether any director classified as independent receives from the company or any company in its group any amount or benefit other than remuneration as a director, or has or has had a business relationship with the company or any company in its group during the past year, whether in his or her own name or as a significant shareholder, director or senior executive of a company that has or has had such a relationship.

If so, include a reasoned statement by the Board explaining why it believes that the director in question can perform his or her duties as an independent director.

Name or company name of director	Description of the relationship	Reasoned statement
No data		

OTHER EXTERNAL DIRECTORS

Identify the other external directors, indicate the reasons why they cannot be considered either proprietary or independent, and detail their ties with the company or its management or shareholders:

Name or company name of director	Reasons	Company, manager or shareholder to which or to whom the director is related	Profile
Mr FERNANDO ABRIL-MARTORELL HERNÁNDEZ	Mr Fernando Abril-Martorell holds a minority stake in Foresta Capital, S.L., a company in which Juan Luis	RETOS OPERATIVOS XXI, S.L.	(Born 1962) Degree in Law and Business Administration from ICADE (Madrid). He has worked at various companies and financial entities. He was Chairman of Indra from January 2015 to May 2021. Between 2011 and 2014, he was

	<p>Arregui Ciarsolo, who controls 100% of RETOS OPERATIVOS XXI S.L., also holds an indirect stake. He also served 12 years as a member of the Company's Board of Directors.</p>		<p>Managing Director of the Prisa Group. Between 2005 and 2011, he was CEO of Credit Suisse in Spain and Portugal. He was Chief Executive Officer of the Telefónica Group from 2000 to 2003, and prior to this, Chief Financial Officer from 1997 to 2000. He began his career at JP Morgan where he spent 10 years from 1987 to 1997 in the Madrid, New York, and London offices. He is currently CEO of URBASER and a director at the Norwegian company Adevinata, S.A. and the Spanish company Sener, S.A.</p>
<p>Mr JOSE GUILLERMO ZUBIA GUINEA</p>	<p>Mr José Guillermo Zubía Guinea served for 12 years as an independent director, for which reason his legal category has changed to "other external director"</p>	<p>ENCE ENERGÍA Y CELULOSA, S.A.</p>	<p>(Born 1946) He has a Law degree from the Complutense University of Madrid. He studied Economics at this University and Taxation at the Centre for Economic and Tax Studies. He has been an entrepreneur, consultant and advisor for several companies. He was secretary general of the Alavés Business Union (SEA) from 1979 to 1995. He was secretary general of the Confederation of Basque Entrepreneurs (Confebask) from October 1995 to March 2011. He has been a member of the Boards of Directors and Governing Bodies of the main Socio-Economic Institutions of the Basque Country: among others, the Company for Industrial Promotion and Reconversion and the Economic and Social and Labour Relations Councils. He has been a member of the Economic and Social Council of Spain and its Economic and Labour Relations Commissions. He has also been a member of the Permanent Commission of the Andalusian</p>

			School of Economics and has participated in various courses and conferences at the Menéndez Pelayo International University, summer courses at El Escorial and the summer university at the Basque Country University.
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Total number of other external directors	2
Percentage of Board	15.38

Observations

Indicate any changes that have occurred during the period in each director's category:

Name or company name of director	Date of change	Previous category	Current category
No data			

Observations

C.1.4 Complete the following table with information relating to the number of female directors at the close of the past four years, as well as the category of each:

	Number of female directors				% of total directors for each category			
	Year 2023	Year 2022	Year 2021	Year 2020	Year 2023	Year 2022	Year 2021	Year 2020
Executive					0.00	0.00	0.00	0.00
Proprietary					0.00	0.00	0.00	0.00
Independent	5	5	5	4	38.46	38.46	38.46	28.57
Other External					0.00	0.00	0.00	0.00
Total:	5	5	5	4	38.46	38.46	38.46	28.57

Observations

C.1.5 Indicate whether the company has diversity policies in relation to its Board of Directors on such questions as age, gender, disability, education and professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Spanish Auditing Act, will have

to report at least the policy that they have implemented in relation to gender diversity.

Yes

No

Partial policies

If so, describe these diversity policies, their objectives, the measures and the way in which they have been applied and their results over the year. Also indicate the specific measures adopted by the Board of Directors and the nomination and remuneration committee to achieve a balanced and diverse presence of directors.

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

Description of policies, objectives, measures and how they have been applied, and results achieved
<p>In relation with gender diversity on the board, article 17.2 d) of the Board of Directors' regulations states that the appointments and remuneration committee ensures that, when filling new vacancies or appointing new directors, the selection procedures favour diversity with respect to issues such as age, gender, disability or professional training and experience and are free of implicit biases that could imply any discrimination, and in particular, that they facilitate the selection of female directors in a number that achieves a balanced presence of women and men; establishing a representation target for the under-represented gender and developing guidance on how to achieve this target.</p> <p>The Policy on the Selection of Directors and Diversity in the Composition of the Board expressly incorporates the diversity aspects specifically mentioned in Article 540.4.c) sub-section 8 of the LSC, as well as the most up to date version of recommendations 14 and 15 of the Good Governance Code, establishing that:</p> <ul style="list-style-type: none"> - This public, concrete, and verifiable policy promotes an appropriate composition of the board of directors and ensures that proposals for appointment or re-election are based on a prior analysis of the competencies required by the board, while favouring diversity of knowledge, experience, age, and gender. - The Appointments and Remuneration Committee and the Board of Directors shall ensure that the procedures for selecting board members and its committees favour diversity with respect to issues such as age, gender, disability, and professional training and experience, and are not subject to implicit biases that may imply any discrimination and, in particular, that facilitate the selection of female Board Members in a number that enables a balanced presence of women and men to be achieved. <p>Ence's commitment to the goal of gender diversity has materialised in recent years, with women's representation on the board increasing from 7% in 2017 to 38.46% in 2023.</p> <p>As the composition of the board is renewed, the Company will give effect to its commitment by selecting independent female directors until it reaches the target of 40%, which it is very close to achieving.</p>

C.1.6 Describe the measures, if any, agreed upon by the nomination committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors and that the company deliberately seeks and includes women who meet the target professional profile among potential candidates, making it possible to achieve a balance between men

and women. Also indicate whether these measures include encouraging the company to have a significant number of female senior executives:

Explanation of measures
<p>As indicated in Section C.1.5, the Appointments and Remuneration Committee ensures that, when new vacancies are filled or when new Directors are appointed, the selection procedures do not suffer from implicit biases that may imply gender-based discrimination.</p> <p>It should be noted that in the category of independent directors, where the Committee has full power to propose the appointment of directors, the percentage of women is 100% (5 female directors out of 5 independent directors).</p> <p>Likewise, in 2020, the Policy on the Selection of Directors and Diversity in the Composition of the Board was updated, among other matters, to expressly establish that the Company shall endeavour to adopt measures that encourage the company to have a significant number of female senior executives, within the meaning of recommendation 14 of the Good Governance Code. In accordance with the above, the Company is working along these lines, having set diversity targets for management positions which have been approved by the appointments and remuneration committee.</p>

If in spite of any measures adopted there are few or no female directors or senior managers, explain the reasons for this:

Explanation of reasons
Not applicable.

C.1.7 Explain the conclusions of the nomination committee regarding verification of compliance with the policy aimed at promoting an appropriate composition of the Board of Directors.

<p>The Appointments and Remuneration Committee has verified the degree of compliance with the current policy for the selection of Directors and put it into practice, as described in sections C.1.5 and C.1.6 above.</p> <p>Following the practice recommended by the CNMV in its Technical Guide 1/2019 on appointments and remuneration committees and by the proxy advisors consulted by the company, in 2020, and following a favourable report from its Appointments and Remuneration Commission, the Ence Board of Directors approved the competency matrix for its members. The competency matrix is an effective tool for the Company as it allows it to determine the appropriate experience and knowledge at management level, as well as to address in a structured way the identification and selection processes of the most suitable profiles. The latest update of the competency matrix was reviewed and reported favourably by the nomination and remuneration committee at its meeting in July 2023 and approved by the Board of Directors at its meeting in the same month.</p> <p>Gender diversity within the Board of Directors continues to be one of the priorities in the process of refreshment of this body and its Committees, and therefore, to the extent that the renewal of the composition of the Board so allows, the Company will make effective its commitment through the selection of independent female directors until it reaches the aforementioned target of 40%, which it is very close to achieving, having reached 38.46%.</p>

C.1.8 If applicable, explain the reasons for the appointment of any proprietary directors at the request of shareholders with less than a 3% equity interest:

Name or company name of shareholder	Reason
No data	

Indicate whether the Board has declined any formal requests for presence on the Board from shareholders whose equity interest is equal to or greater than that of others at whose request proprietary directors have been appointed. If so, explain why the requests were not granted:

Yes No

Name or company name of shareholder	Explanation

C1.9 Indicate the powers, if any, delegated by the Board of Directors, including those relating to the option of issuing or re-purchasing shares, to directors or board committees:

Name or company name of director or committee	Brief description
IGNACIO DE COLMENARES BRUNET	ALL POWERS, EXCEPT THOSE THAT CANNOT BE DELEGATED BY LAW, THE ARTICLES OF ASSOCIATION, AND BOARD OF DIRECTORS REGULATIONS.
Executive Committee	ALL POWERS, EXCEPT THOSE THAT CANNOT BE DELEGATED BY LAW, THE ARTICLES OF ASSOCIATION, AND BOARD OF DIRECTORS REGULATIONS.

C.1.10 Identify any members of the Board who are also directors, representatives of directors or managers in other companies forming part of the listed company's group:

Name or company name of director	Company name of the group entity	Position	Does the director have executive powers?
Mr IGNACIO DE COLMENARES BRUNET	SIERRAS CALMAS, S.A.	Executive Chairman	YES
Mr IGNACIO DE COLMENARES BRUNET	LAS PLEYADES URUGUAY, S.A.	Executive Chairman	YES
Mr IGNACIO DE COLMENARES BRUNET	LIPTOFLOL S.A.	Sole administrator representative	YES
Mr IGNACIO DE COLMENARES BRUNET	SILVASUR AGROFORESTAL, S.A.U.	Joint and several administrator	YES

Mr IGNACIO DE COLMENARES BRUNET	CELULOSA ENERGÍA, S.A.U.	Sole administrator representative	YES
Mr IGNACIO DE COLMENARES BRUNET	IBERSILVA, S.A.U.	Sole administrator representative	YES
Mr IGNACIO DE COLMENARES BRUNET	ENCE TERRA, S.A.U.	Sole administrator representative	YES
Mr IGNACIO DE COLMENARES BRUNET	ENCE INVESTIGACIÓN Y DESARROLLO, S.A.U.	Sole administrator representative	YES
Mr IGNACIO DE COLMENARES BRUNET	CELULOSAS DE ASTURIAS, S.A.U.	Sole administrator representative	YES
Mr IGNACIO DE COLMENARES BRUNET	ENCE ENERGÍA PUERTOLLANO 2, S.L.U.	Sole administrator representative	YES
Mr IGNACIO DE COLMENARES BRUNET	ENCE BIOGAS, S.L.	Sole administrator representative	YES
Mr IGNACIO DE COLMENARES BRUNET	MAGNON GREEN ENERGY, S.L.	Chairman of the Board of Directors	YES
Mr IGNACIO DE COLMENARES BRUNET	ENCE ENERGÍA HUELVA, S.L.U.	Sole administrator representative	YES
Mr IGNACIO DE COLMENARES BRUNET	SOSTENIBILIDAD Y ECONOMÍA CIRCULAR, S.L.U.	Sole administrator representative	YES
Mr IGNACIO DE COLMENARES BRUNET	ENCE ENERGÍA EXTREMADURA, S.L.U.	Sole administrator representative	YES
Mr IGNACIO DE COLMENARES BRUNET	ENCE ENERGÍA CASTILLA Y LEÓN DOS, S.L.U.	Sole administrator representative	YES
Mr IGNACIO DE COLMENARES BRUNET	ENCE ENERGÍA EXTREMADURA DOS, S.L.U.	Sole administrator representative	YES
Mr IGNACIO DE COLMENARES BRUNET	ENCE ENERGÍA HUELVA DOS, S.L.U.	Sole administrator representative	YES
Mr IGNACIO DE COLMENARES BRUNET	ENCE ENERGÍA CELTA, S.L.U.	Sole administrator representative	YES
Mr IGNACIO DE COLMENARES BRUNET	ENCE ENERGÍA CASTILLA Y LEÓN, S.L.U.	Sole administrator representative	YES

Mr IGNACIO DE COLMENARES BRUNET	ENCE ENERGÍA PUERTOLLANO, S.L.U.	Sole administrator representative	YES
Mr IGNACIO DE COLMENARES BRUNET	ENCE ENERGÍA ESTE, S.L.U.	Sole administrator representative	YES
Mr IGNACIO DE COLMENARES BRUNET	ENCE ENERGÍA PAMI, S.L.U.	Sole administrator representative	YES
Mr IGNACIO DE COLMENARES BRUNET	ENCE CO2, S.L.U.	Sole administrator representative	YES
Mr IGNACIO DE COLMENARES BRUNET	Magnon Biomasa, S.L.U.	Sole administrator representative	YES
Mr IGNACIO DE COLMENARES BRUNET	Magnon Servicios Energéticos, S.L.U.	Sole administrator representative	YES
Mr IGNACIO DE COLMENARES BRUNET	Ence Biomasa Córdoba, S.L.U.	Sole administrator representative	YES
Mr IGNACIO DE COLMENARES BRUNET	Ancen Solar III, S.L.U.	Sole administrator representative	YES
Mr IGNACIO DE COLMENARES BRUNET	Granada 133 Solar, S.L.U.	Sole administrator representative	YES
Mr IGNACIO DE COLMENARES BRUNET	Ancen Solar V, S.L.U.	Sole administrator representative	YES
Mr IGNACIO DE COLMENARES BRUNET	Sevilla 90 Solar, S.L.U.	Sole administrator representative	YES
Mr IGNACIO DE COLMENARES BRUNET	Ancen Solar IV, S.L.U.	Sole administrator representative	YES
Mr IGNACIO DE COLMENARES BRUNET	Huelva 10 Solar, S.L.U.	Sole administrator representative	YES
Mr IGNACIO DE COLMENARES BRUNET	Ence Renovables, S.L.	Sole administrator representative	YES
Mr IGNACIO DE COLMENARES BRUNET	Ibersilva, S.A. (Portugal branch)	Legal representative	YES
Mr IGNACIO DE COLMENARES BRUNET	Biofibras de Galicia, S.L.	Sole administrator representative	YES

Mr IGNACIO DE COLMENARES BRUNET	Biogás San Esteban, S.L.	Sole administrator representative	YES
Mr IGNACIO DE COLMENARES BRUNET	Biogas Almacelles, S.L.	Sole administrator representative	YES
Mr IGNACIO DE COLMENARES BRUNET	Biogás Carmona, S.L.	Sole administrator representative	YES

Observations

C1.11 List the positions of director, administrator or representative thereof, held by directors or representatives of directors who are members of the company's board of directors in other entities, whether or not they are listed companies:

Identity of the director or representative	Company name of the listed or non-listed entity	Position
Ms CARMEN AQUERRETA FERRAZ	Andbank/ Private bank	DIRECTOR
Ms IRENE HERNÁNDEZ ÁLVAREZ	Elecnor	DIRECTOR
Ms IRENE HERNÁNDEZ ÁLVAREZ	Saint Croix Holding Immobilier SOCIMI, S.A.	DIRECTOR
Ms IRENE HERNÁNDEZ ÁLVAREZ	Impulsa Capital, S.L.	JOINT AND SEVERAL ADMINISTRATOR
Mr ÓSCAR ARREGUI ABENDIVAR	INVERMAS XII, S.L.	DIRECTOR'S REPRESENTATIVE
Mr ÓSCAR ARREGUI ABENDIVAR	DIOPTASA, S.L.	JOINT ADMINISTRATOR
Mr ÓSCAR ARREGUI ABENDIVAR	ARTEVINO VIÑEDOS, S.L.	DIRECTOR
Mr ÓSCAR ARREGUI ABENDIVAR	DEHESA CHECA, S.L.	DIRECTOR'S REPRESENTATIVE
Mr ÓSCAR ARREGUI ABENDIVAR	DEHESA EL CORCHO, XXI, S.L.	DIRECTOR'S REPRESENTATIVE
Mr ÓSCAR ARREGUI ABENDIVAR	ESASOLAR ENERGY SYSTEM, S.L.	DIRECTOR
Mr ÓSCAR ARREGUI ABENDIVAR	TURINA 2000, S.L.	DIRECTOR
Mr ÓSCAR ARREGUI ABENDIVAR	TREELANDS CAPITAL, S.L.	DIRECTOR
Mr ÓSCAR ARREGUI ABENDIVAR	DEHESA DEL CASTRILLO XXI, S.L.	DIRECTOR'S REPRESENTATIVE
Mr ÓSCAR ARREGUI ABENDIVAR	DAIMA ENERGÉTICA S.L	DIRECTOR
Mr ÓSCAR ARREGUI ABENDIVAR	FORESTA PRIVATE EQUITY II SCR, S.A.	DIRECTOR'S REPRESENTATIVE
Mr ÓSCAR ARREGUI ABENDIVAR	DAIMA GLOBAL, S.L.	DIRECTOR
Mr ÓSCAR ARREGUI ABENDIVAR	FORESTA PRIVATE INDIVIDUAL I S.A.	DIRECTOR'S REPRESENTATIVE
Mr GORKA ARREGUI ABENDIVAR	INVESTIGACION Y DESARROLLO AGRARIO, S.A.	DIRECTOR

Mr GORKA ARREGUI ABENDIVAR	CIUDAD DE TRANSPORTES DE MANZANARES, S.A.	DIRECTOR'S REPRESENTATIVE
Mr GORKA ARREGUI ABENDIVAR	TREELANDS CAPITAL, S.L.	DIRECTOR
Mr GORKA ARREGUI ABENDIVAR	ESPOLINADO, S.L.	JOINT AND SEVERAL ADMINISTRATOR
Mr GORKA ARREGUI ABENDIVAR	TOYLE DE JOUY, S.L.	JOINT AND SEVERAL ADMINISTRATOR
Mr GORKA ARREGUI ABENDIVAR	DESARROLLOS INMOBILIARIOS CAMARINES, S.L.	JOINT AND SEVERAL ADMINISTRATOR
Mr GORKA ARREGUI ABENDIVAR	DESARROLLOS INMOBILIARIOS SOMOSAGUAS, S.L.	JOINT AND SEVERAL ADMINISTRATOR
Mr GORKA ARREGUI ABENDIVAR	NEGOCIOS LOPICRAC, S.L.	JOINT AND SEVERAL ADMINISTRATOR
Mr GORKA ARREGUI ABENDIVAR	DESARROLLO INMOBILIARIO CORRALEJOS, S.L.	DIRECTOR'S REPRESENTATIVE
Mr GORKA ARREGUI ABENDIVAR	TURINA 2000, S.L.	DIRECTOR
Mr GORKA ARREGUI ABENDIVAR	CORPORACION LORPEN, S.A.	DIRECTOR
Mr GORKA ARREGUI ABENDIVAR	DESARROLLOS INMOBILIARIOS SAMISOL, S.L.	DIRECTOR'S REPRESENTATIVE
Mr GORKA ARREGUI ABENDIVAR	DESARROLLOS INMOBILIARIOS ROZUELAS, S.L.	DIRECTOR'S REPRESENTATIVE
Mr GORKA ARREGUI ABENDIVAR	DESARROLLOS INMOBILIARIOS MIRADOR DE LOS FLAMINGOS, S.L.	DIRECTOR'S REPRESENTATIVE
Mr GORKA ARREGUI ABENDIVAR	ARBI, 21, S.L.	SOLE ADMINISTRATOR
Mr GORKA ARREGUI ABENDIVAR	DESARROLLOS INMOBILIARIOS CERRO DE BELMONTE, S.L.	DIRECTOR'S REPRESENTATIVE
Mr GORKA ARREGUI ABENDIVAR	DESARROLLOS INMOBILIARIOS LA FLORIDA, S.L.	DIRECTOR'S REPRESENTATIVE
Mr GORKA ARREGUI ABENDIVAR	ARTEVINO Y VIÑEDOS, S.L.	DIRECTOR
Mr GORKA ARREGUI ABENDIVAR	GESTION Y PROYECTOS INMOBILIARIOS PENTA, S.L.	DIRECTOR'S REPRESENTATIVE
Mr GORKA ARREGUI ABENDIVAR	AUTOCOA INDUSTRIAS DE AUTOMOCION, S.A.	DIRECTOR
Mr GORKA ARREGUI ABENDIVAR	CABOPINO CLUB DE GOLF, S.A.	DIRECTOR
Mr GORKA ARREGUI ABENDIVAR	GESTION PROYECTOS Y CONTROL, S.A.	DIRECTOR'S REPRESENTATIVE
Mr GORKA ARREGUI ABENDIVAR	ILUSTRACION PENTA, S.A.	CHAIRMAN
Mr GORKA ARREGUI ABENDIVAR	ILUSTRACION PENTA, S.A.	DIRECTOR
Mr GORKA ARREGUI ABENDIVAR	CORPORACION LORPEN, S.A.	CHAIRMAN
Mr GORKA ARREGUI ABENDIVAR	GOPIA, S.A.	CHAIRMAN
Mr GORKA ARREGUI ABENDIVAR	GOPIA, S.A.	DIRECTOR
Mr GORKA ARREGUI ABENDIVAR	DESARROLLOS INMOBILIARIOS MIRANDA, S.L.	DIRECTOR
Mr GORKA ARREGUI ABENDIVAR	GLOBAL DOS MANAGEMENT, S.L.	DIRECTOR
Mr GORKA ARREGUI ABENDIVAR	FORESTA CAPITAL, S.A.	DIRECTOR
Mr GORKA ARREGUI ABENDIVAR	DAIMA GLOBAL, S.L.	DIRECTOR
Mr GORKA ARREGUI ABENDIVAR	DAIMA ENERGÉTICA, S.L.	DIRECTOR

Mr IGNACIO DE COLMENARES BRUNET	CORPORACION FINANCIERA ALBA	DIRECTOR
Mr IGNACIO DE COLMENARES BRUNET	EL LLANO DE CAMPOZALVARO, S.L.	DIRECTOR
Ms MARÍA PAZ ROBINA ROSAT	Michelin España Portugal, S.A. (MEPSA AUTOMOCION)	CHAIRMAN
Ms MARÍA PAZ ROBINA ROSAT	SIGNUS ECOVALOR, S.L.	DIRECTOR
Ms MARÍA PAZ ROBINA ROSAT	CAMSO SPAIN,S.L.	DIRECTOR
Ms MARÍA PAZ ROBINA ROSAT	FACyL Automotive sector	DIRECTOR
Ms MARÍA PAZ ROBINA ROSAT	National Rubber Industry Consortium	VICE-CHAIRMAN 4
Mr JAVIER ARREGUI ABENDIVAR	TORNEADOS NUMERICOS S.A.	DIRECTOR'S REPRESENTATIVE
Mr JAVIER ARREGUI ABENDIVAR	CORPORACION EMPRESARIA DE EXTREMADURA S.A.	DIRECTOR
Mr JAVIER ARREGUI ABENDIVAR	FORESTA PRIVATE EQUITY II SCR, S.A.	DIRECTOR'S REPRESENTATIVE
Mr JAVIER ARREGUI ABENDIVAR	RETOS OPERATIVOS XXI, S.L.	DIRECTOR'S REPRESENTATIVE
Mr JAVIER ARREGUI ABENDIVAR	CARNICAS TURO, S.L.	SOLE ADMINISTRATOR
Mr JAVIER ARREGUI ABENDIVAR	TREELANDS CAPITAL, S.L.	DIRECTOR
Mr JAVIER ARREGUI ABENDIVAR	FORESTA CAPITAL, S.L.	DIRECTOR
Mr JAVIER ARREGUI ABENDIVAR	VUELO NOGALES, S.L.	DIRECTOR'S REPRESENTATIVE
Mr JAVIER ARREGUI ABENDIVAR	TERRENO NOGALES, S.L.	DIRECTOR'S REPRESENTATIVE
Mr JAVIER ARREGUI ABENDIVAR	AGROLUJAN, S.L.	SOLE ADMINISTRATOR
Mr JAVIER ARREGUI ABENDIVAR	FORESTA MANTENIMIENTO DE PLANTACIONES, S.L.	DIRECTOR
Mr JAVIER ARREGUI ABENDIVAR	FORESTA PRIVATE INDIVIDUAL I, S.A.	CHIEF EXECUTIVE OFFICER
Mr JAVIER ARREGUI ABENDIVAR	FORESTA TERRENOS, S.L.	DIRECTOR'S REPRESENTATIVE
Mr JAVIER ARREGUI ABENDIVAR	KALINEX INVERSIONES, S.L.	VICE-CHAIRMAN
Mr JAVIER ARREGUI ABENDIVAR	LA PRADERA DE LA TABLADILLA, S.L.	DIRECTOR'S REPRESENTATIVE
Mr JAVIER ARREGUI ABENDIVAR	NOGALES DEL TIETAR, S.L.	DIRECTOR'S REPRESENTATIVE
Mr JAVIER ARREGUI ABENDIVAR	FINE TIMBER INVESTMENT, S.L.	DIRECTOR
Mr JAVIER ARREGUI ABENDIVAR	FORESTA ENERGIA SIERRA DE ARCOS, S.L.	DIRECTOR'S REPRESENTATIVE
Mr JAVIER ARREGUI ABENDIVAR	FORESTA ENERGIA DEL DUERO, S.L.	DIRECTOR'S REPRESENTATIVE
Mr JAVIER ARREGUI ABENDIVAR	BIOMASA DE AS PONTES, S.L.	DIRECTOR'S REPRESENTATIVE
Mr JAVIER ARREGUI ABENDIVAR	LOMAS DE LA VEGA, S.L.	DIRECTOR'S REPRESENTATIVE
Mr JAVIER ARREGUI ABENDIVAR	LOMAS DEL MEDIO, S.L.	DIRECTOR'S REPRESENTATIVE

Mr JAVIER ARREGUI ABENDIVAR	LOMAS PONIENTE, S.L	DIRECTOR'S REPRESENTATIVE
Mr JAVIER ARREGUI ABENDIVAR	TURINA 2000, S.L.	DIRECTOR
Mr JAVIER ARREGUI ABENDIVAR	TURINA 2000, S.L.	CHAIRMAN
Mr JAVIER ARREGUI ABENDIVAR	INVERSIONES SECTOR PRIMARIO, S.L.	SOLE ADMINISTRATOR
Mr JAVIER ARREGUI ABENDIVAR	FORESTA PRIVATE INDIVIDUAL I, S.A.	DIRECTOR
Mr JAVIER ARREGUI ABENDIVAR	FORESTA INDIVIDUAL 1 S.A.	DIRECTOR
Mr JAVIER ARREGUI ABENDIVAR	DAIMA GLOBAL, S.L.	DIRECTOR
Mr JAVIER ARREGUI ABENDIVAR	RUKUSULA XXI, S.L.	DIRECTOR
Mr JAVIER ARREGUI ABENDIVAR	ARTEVINO Y VIÑEDOS, S.L.	DIRECTOR
Mr JAVIER ARREGUI ABENDIVAR	CIRESCO, S.A.	DIRECTOR
Mr JAVIER ARREGUI ABENDIVAR	ESPOLINADO, S.L.	DIRECTOR
Mr JAVIER ARREGUI ABENDIVAR	AMERICAN FORESTRY TECHNOLOGIES ESPAÑA, S.L.	DIRECTOR
Ms ROSA MARÍA GARCÍA PIÑEIRO	ACERINOX, S.A.	DIRECTOR
Ms ROSA MARÍA GARCÍA PIÑEIRO	POWERCO	DIRECTOR
Mr FERNANDO ABRIL-MARTORELL HERNÁNDEZ	Mr FERNANDO ABRIL-MARTORELL HERNÁNDEZ	Mr FERNANDO ABRIL-MARTORELL HERNÁNDEZ
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Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL
Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL
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Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL
Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	BLIG 13-13, S.L.	SOLE ADMINISTRATOR

Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	ARBITRAJES E INVERSIONES, S.L.	DIRECTOR
Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	GLOBOTRANS, S.L.	SOLE ADMINISTRATOR
Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	DOSVAL, S.L.	DIRECTOR
Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	BA GLASS, S.L.	DIRECTOR

Observations

Indicate, where appropriate, the other remunerated activities of the directors or directors' representatives, whatever their nature, other than those indicated in the previous table.

Identity of the director or representative	Other paid activities
Mr IGNACIO DE COLMENARES BRUNET	Member of the Investment Committee of Corporación Financiera Alba, S.A.
Ms MARÍA PAZ ROBINA ROSAT	General Manager Michelin Spain Portugal, S.A. (MEPSA AUTOMOCION)
Ms ROSALÍA GIL-ALBARELLOS MARCOS	Director of Water Engineering and Sustainability at PROES (AMPER Group) Sustainability Director at AMPER
Ms ROSA MARÍA GARCÍA PIÑEIRO	Vice President of Global Sustainability, Alcoa
Mr ANGEL AGUDO VALENCIANO	CEO of Asua Inversiones S.L.

Observations

C.1.12 Indicate whether the company has established rules on the maximum number of company boards on which its directors may sit, explaining if necessary and identifying where this is regulated, if applicable:

Yes

No

Explanation of the rules and identification of the document where this is regulated
Article 36.2 of the Board of Directors Regulations establishes that the maximum number of other listed companies' Board of Directors of which the Company's Directors may form a part should not exceed 3 in the case of Executive Directors and 5 in the case of non-

C.1.13

Executive Directors. For these purposes, all the boards of companies forming part of the same Group shall be counted as a single board.

Exceptionally and in view of concurrent personal and professional circumstances, the Board, after a favourable report from the Appointments and Remuneration Committee, may individually authorise exceeding the limit established in the previous paragraph when the dedication of the affected Director is not compromised.

If this situation arises, this authorisation is reported in the Annual Corporate Governance Report.

Indicate the remuneration received by the Board of Directors as a whole for the following items:

Remuneration accruing in favour of the Board of Directors in the financial year (thousands of euros)	2,556
Funds accumulated by current directors for long-term savings systems with consolidated economic rights (thousands of euros)	
Funds accumulated by current directors for long-term savings systems with unconsolidated economic rights (thousands of euros)	2,153
Pension rights accumulated by former directors (thousands of euros)	100

Observations
The remuneration indicated as total accrued to the Board of Directors includes the remuneration of the Chief Executive Officer for their executive duties.

C.1.14 Identify members of senior management who are not also executive directors and indicate their total remuneration accrued during the year:

Name or company name	Position(s)
Mr MODESTO SAIZ SUAREZ	Sales Director
Mr ALFREDO AVELLO DE LA PEÑA	Managing Director of Finance, Corporate Development, and Forestry Assets
Ms MARIA JOSE ZUERAS SALUDAS	Managing Director of Human Resources
Ms REYES CEREZO RODRÍGUEZ-SEDANO	General Secretary and Managing Director of Sustainability
Mr ÁNGEL JOSÉ MOSQUERA LÓPEZ-LEYTON	Internal Auditing Director
Mr JORDI AGUILÓ JUBIERRE	Managing Director of Cellulose
Mr FERNANDO GONZÁLEZ-PALACIOS	Director of Planning and Management Control
Mr GUILLERMO NEGRO MAGUREGUI	Managing Director Magnon Green Energy
Ms ISABEL VALLEJO DE LA FUENTE	Managing Director of Human Resources

Number of women in senior management	2
Percentage of total senior management	25.00

Total remuneration of senior management (thousands of euros)	3,288
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Observations

Ms María José Zueras Saludas left the company on 16/05/2023. Ms Isabel Vallejo de la Fuente joined the company on 17/05/2023.

C.1.15 Indicate whether the Board regulations were amended during the year:

Yes

No

Description of amendment(s)

C.1.16 Specify the procedures for selection, appointment, re-election and removal of directors. List the competent bodies, steps to follow and criteria applied in each procedure.

The internal regulatory framework of reference in this respect consists of the Articles of Association, the Board of Directors Regulations, and the Policy on the Selection of Directors and Diversity in the Composition of the Board, approved by the Board of Directors on 4 February 2016 and amended on 27 November 2018 to adapt it to the Non-Financial Reporting and Diversity Act 11/2018 and on 24 November 2020 to adapt it to the latest revision of the Good Governance Code (recommendations 14 and 15). Furthermore, in April 2020, the board approved the competency matrix for directors, which has been updated annually.

The Directors are appointed and separated by the Annual General Meeting of Shareholders (Article 35.1 of the Articles of Association). The Board of Directors may fill vacancies that occur through the interim co-opting procedure until the first Annual General Meeting of Shareholders held (Article 36 of the Articles of Association).

In any case, the proposals for the appointment of Directors that the Board (or the Appointments and Remuneration Committee in the case of Independent Directors) submit to the Annual General Meeting of Shareholders, and the appointment decisions adopted by the Board by virtue of the powers of co-opting legally attributed to it, must be preceded by the corresponding Appointments and Remuneration Committee report. When the Board departs from the Appointments and Remuneration Committee's recommendations, it must state the reasons for its action and record the reasons in the minutes (Article 20.5 of the Board Regulations). The Board of Directors and the Appointments and Remuneration Committee shall ensure that the candidates selected are persons of recognised solvency, competence, and experience, imposing strict requirements in relation to individuals appointed to fill the positions of Independent Director (Article 21.1 of the Board of Directors Regulations). The Appointments and Remuneration Committee may not propose or appoint persons to fill an Independent Director position whose situation or whose present or past relationship with the Company may impair their independence (Article 21.2 of the Board of Directors Regulations). Pursuant to Article 8.1 of the Board of Directors Regulations, the Board of Directors will endeavour to ensure that external and non-Executive Directors represent a large majority of the Executive Directors on the board and that, in general, the different categories of Directors are adapted in their proportion and characteristics to the best corporate governance practices. Article 8.2 of the Board of Directors Regulations establishes that, in order to establish a reasonable balance between Proprietary Directors and Independent Directors, the Board will consider the Company's ownership structure, so that the relationship between each type of Director reflects the relationship between stable capital and floating capital. Pursuant to Article 36 of the Articles of Association, a Director's term of office is 3

years and they may be re-elected one or more times for periods of the same duration. Pursuant to Article 22 of the Board of Directors Regulations, the proposals for re-election of Directors must be made in accordance with the provisions of their appointment, in accordance with article 20 of this regulation. Pursuant to the provisions in Article 24.1 of the Board of Directors Regulations, the Directors will cease to hold office when the period for which they were appointed has elapsed, when the Annual General Meeting of Shareholders decides on the use of the powers bestowed upon them by law, and when their renouncement or resignation is communicated to the Company. In addition, the Board of Directors will not propose the removal of any Independent Director before the expiry of the statutory period for which they were appointed, unless there is just cause, as assessed by the Board following a report from the Appointments and Remuneration Committee (Article 24.4 of the Board of Directors Regulations).

The removal of an Independent Director may also be proposed as a result of public offers for acquisition, mergers, or other similar corporate transactions that entail a change in the capital structure of the Company, to the extent that it is necessary to establish a reasonable balance between the Proprietary Directors and Independent Directors based on the relationship between the Company's stable capital and floating capital (Article 24.4 of the Board of Directors Regulations).

C.1.17 Explain to what extent the annual evaluation of the Board has given rise to significant changes in its internal organisation and in the procedures applicable to its activities:

Description of amendment(s)
The external consultant Egon Zehnder has assisted the Board of Directors in the annual evaluation of its activity for the year 2023, without the assessment having led to significant changes in its internal organisation or applicable procedures.

Describe the evaluation process and the areas evaluated by the Board of Directors with or without the help of an external advisor, regarding the functioning and composition of the Board and its committees and any other area or aspect that has been evaluated.

Description of the evaluation process and areas evaluated
<p>By virtue of Article 19 bis of the Board of Directors Regulations, the Board of Directors must evaluate once a year, and adopt where appropriate, an action plan that corrects the deficiencies detected with respect to:</p> <ul style="list-style-type: none"> a) The quality and efficiency of the Board of Directors operation; b) the performance and composition of its committees; c) the diversity of Board of Directors members and competences; d) the performance of the Chairman of the Board of Directors and of the Chief Executive Officer, taking into account, as the case may be, the evaluation carried out by the Coordinating Board Member or by the Appointments and Remuneration Committee; e) the performance and contribution of individual Board Members, with particular attention to the different Heads of the Board of Directors Committees. <p>The evaluation process carried out in 2023 was undertaken on the basis of a questionnaire previously completed individually by each of the directors and the interviews conducted by the external advisor with each of the directors, which covered the necessary aspects related to diversity in the composition and competencies of the Board of Directors, the functioning and composition of its Committees, the performance of the Company's Chairman of the Board of Directors and Chief Executive Officer, its Secretary, its coordinating advisor, as well as the other members of the Board and the performance of the Committee Chairs.</p>

In addition, the external advisor analysed the Company's internal regulations and other documentation in order to carry out the assessment.

C.1.18 Provide details, for years in which the evaluation was carried out with the help of an external advisor, of the business relationships that the external advisor or company in its group maintains with the company or any company in its group.

In 2023, the assessment was assisted by consultant Egon Zehnder.

The business relationships during the year were limited to the following:

- Search and selection process for a position for Magnon Green Energy, S.L., a subsidiary company of Ence Energía y Celulosa, S.A.

C.1.19 Indicate the cases in which directors are obliged to resign.

In accordance with article 24.3 of the board of directors' regulations, directors must tender their resignation to the board and formalise, if the board deems it appropriate, their resignation in the following cases: a) when they are affected by any of the applicable cases of incompatibility or prohibition; b) when they are seriously reprimanded by the Appointments and Remuneration Committee for having breached their obligations as directors; c) when their remaining on the Board could seriously jeopardise the interests of the Company or when the reasons for which they were appointed disappear; or d) when, in the case of proprietary directors, the shareholder they represent or who proposed their appointment transferring their entire shareholding or reducing their shareholding to a level requiring a proportional reduction in the number of its proprietary directors. Article 24.5 of the Regulations establishes that directors must inform the board of directors and, if appropriate, resign when situations arise that affect them, whether or not related to their actions in the company itself, that could damage the credit and reputation of the company, and in particular, of any criminal proceedings in which they are under investigation, as well as of their procedural developments. Having been informed of or otherwise having become aware of any of the above situations, the board shall examine the case as soon as possible and, having regard to the particular circumstances, decide, upon a report from the appointments and remuneration committee, whether or not to take any action, such as opening an internal investigation, requesting the resignation of the director, or proposing the removal of the director. This will be reported in the annual corporate governance report, unless there are special circumstances that justify it, which will be recorded in the minutes.

C.1.20 Are qualified majorities other than those established by law required for any particular kind of decision?:

Yes

No

If so, describe the differences.

Description of differences
In accordance with Article 24.2 of the Board of Directors Regulations, for the re-election as Executive Director of those Directors who reach the age of 65, the favourable vote of at least two thirds of the Directors present or represented is required.

C.1.21 Explain whether there are any specific requirements, other than those relating to directors, for being appointed as chairman of the Board of Directors.

Yes No

Description of requirements
In accordance with Article 10.1 of the Board of Directors Regulations, the position of Chair of the Board of Directors may be held by an Executive Director. In this case, their appointment will require the favourable vote of two thirds of the members of the Board.

C.1.22 Indicate whether the articles of incorporation or Board regulations establish any limit as to the age of directors:

Yes No

	Age limit
Chairman	N/A
Managing director	N/A
Director	N/A

Observations
In accordance with Article 24.2 in the Board of Directors Regulations, with regard to Executive Directors over the age of 65, the Board of Directors may approve their re-election on an annual basis by a majority of two thirds, until they reach the age of 70.

C.1.23 Indicate whether the articles of incorporation or Board regulations establish any term limits for independent directors other than those required by law or any other additional requirements that are stricter than those provided by law:

Yes No

Additional requirements and/or maximum number of years of office

C.1.24 Indicate whether the articles of incorporation or Board regulations establish specific rules for appointing other directors as proxy to vote in Board meetings, if so the procedure for doing so and, in particular, the maximum number of proxies that a director may hold, as well as whether any limit has been established regarding the categories of director to whom votes may be delegated beyond the limits imposed by law. If so, briefly describe these rules.

In accordance with the provisions in the Articles of Association (Article 42), proxies must be granted in writing and specifically for each Board, and each director may not hold more than three proxies, with the exception of the Chairperson, who shall not have this limit, although they may not represent the majority of the Board. The Board of Directors Regulations (Article 19.1 paragraph 2) establish that directors shall make every effort to attend board meetings and, when they are unable to do so in person, in the case of a non-executive director, only another non-executive director may be appointed as proxy. The representation will be conferred with the corresponding instructions depending on the specific matters that are expected to be discussed in the Board.

C.1.25 Indicate the number of meetings held by the Board of Directors during the year. Also indicate, if applicable, the number of times the Board met without the chairman being present. Meetings where the chairman gave specific proxy instructions are to be counted as attended.

Number of board meetings	11
Number of board meetings held without the chairman's presence	0

Observations

Indicate the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor representation of any executive director:

Number of meetings	4
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Observations

Indicate the number of meetings held by each Board committee during the year:

Number of meetings held by the executive committee	4
Number of meetings held by the audit committee	8
Number of meetings held by the nomination and remuneration committee	5
Number of meetings held by the nomination committee	
Number of meeting held by the remuneration committee	
Number of meetings held by the sustainability committee	5

Observations
The individual attendance information for the directors at the meetings of the Board of Directors are as follows: D. Ignacio Colmenares 100.00% Mr Ignacio Comenge 90.91% Mr Gorka Arregui 100.00% Mr Óscar Arregui 100.00%

Mr. Javier Arregui 100.00%
Mr. Jose Guillermo Zubia 100.00%
Mr Fernando Abril-Martorell 81.82%
Ms Rosa García Piñeiro 100.00%
Ms Irene Hernández 100.00%
Ms Maria Paz Robina 100.00%
Mr Angel Agudo 100.00%
Ms Carmen Aquerreta 100.00%
Ms Rosalía Gil-Albarellos 100.00%
The individual attendance information for the directors at the meetings of the Board of Directors is as follows:
Mr Ignacio Colmenares 100.00%
Ms Irene Hernández 100.00%
Mr Gorka Arregui 100.00%
Mr Jose Ignacio Comenge 75.00%
Mr Fernando Abril-Martorell 100.00%
Mr. Jose Guillermo Zubia 100.00%
The individual attendance information for the directors at the meetings of the Audit Committee is as follows:
Ms Irene Hernández 100.00%
Ms Rosa García Piñeiro 100.00%
Mr. Jose Guillermo Zubia 100.00%
Mr. Javier Arregui 100.00%
Ms Carmen Aquerreta 100.00%
The individual attendance information for the directors at the meetings of the Appointments and Remuneration Committee is as follows:
Ms Maria Paz Robina 100.00%
Ms Irene Hernández 100.00%
Mr Fernando Abril-Martorell 100.00%
Mr Gorka Arregui 100.00%
Ms Rosalía Gil-Albarellos 100.00%
The individual attendance information for the directors at the meetings of the Sustainability Committee are as follows:
Ms Rosa García Piñeiro 100.00%
Ms Maria Paz Robina 100.00%
Mr. Javier Arregui 100.00%
Ms Rosalía Gil-Albarellos 100.00%
Mr Angel Agudo 100.00%

C.1.26 Indicate the number of meetings held by the Board of Directors during the year with member attendance data:

Number of meetings at which at least 80% of the directors were present in person	11
Attendance in person as a % of total votes during the year	97.90
Number of meetings with attendance in person or proxies given with specific instructions, by all directors	11
Votes cast in person and by proxies with specific instructions, as a % of total votes during the year	100.00

Observations

The individual attendance information for the directors at the meetings of the Board of Directors has been indicated previously in section C.1.25 of this report.

C.1.27 Indicate whether the individual and consolidated financial statements submitted to the Board for issue are certified in advance:

Yes No

Identify, if applicable, the person(s) who certified the individual and consolidated financial statements of the company for issue by the Board:

Name	Position
Mr IGNACIO DE COLMENARES BRUNET	PRESIDENT AND CHIEF EXECUTIVE OFFICER

Observations

C.1.28 Explain the mechanisms, if any, established by the Board of Directors to ensure that the financial statements it presents to the General Shareholders' Meeting are prepared in accordance with accounting regulations.

The Board of Directors Regulations (Article 16.2 10) entrust the Audit Committee with the function of ensuring that the annual accounts submitted by the board of directors to the annual general meeting of shareholders are drawn up in accordance with accounting regulations, monitoring compliance with legal requirements, the correct application of generally accepted accounting principles, and the proper delimitation of the scope of consolidation, as well as the correct application of accounting principles, reporting on proposals for amending accounting principles and criteria suggested by management. Furthermore, Article 16.2.5) of the Regulations assigns the function of supervising and evaluating the process of preparing and the integrity of financial and non-financial information to the Audit Committee. Additionally, in accordance with the provisions in Article 16.2 7) of the Regulations, the Audit Committee is responsible for establishing the appropriate relationships with the accounts auditors in order to receive information on matters that may jeopardise their independence to be reviewed by the Committee, and any other matters related to the process of conducting the accounts audit, as well as any other communications established in audit law and in technical audit rules. Likewise, the Board of Directors Regulations (Article 42.4) provide that the Board of Directors will endeavour to finalise the accounts in such a way that there is no room for exceptions made by the auditor. However, when the board considers that it should maintain its judgement, it shall clearly explain publicly, through the chairperson of the audit committee at the general meeting, the audit committee's opinion on the content and scope of the auditor's exceptions, and a summary of such opinion will be made available to shareholders at the time of publication of the notice of the meeting, along with the other the proposals and reports of the board.

C.1.29 Is the secretary of the Board also a director?

Yes

No

If the secretary is not a director, complete the following table:

Name or company name of the secretary	Representative
Mr JOSÉ ANTONIO ESCALONA DE MOLINA	
Observations	

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

In accordance with the provisions in Article 16.2.7) of the Board of Directors Regulations, the Audit Committee is responsible for establishing appropriate relationships with the account auditors in order to receive information on matters that may jeopardise their independence (in particular, so that the auditor's remuneration for their work does not compromise their quality or independence), for consideration by the Committee and any other matters related to the process of conducting the audit of accounts, as well as any other communications established in audit law and in technical audit rules. In any event, each year the Audit Committee will receive from the account auditors or audit companies the written confirmation of their independence from the company or companies related to them directly or indirectly, as well as information on additional services of any kind provided and the corresponding fees received from these companies by the aforementioned account auditors or audit companies, or by the persons or entities linked to them in accordance with the provisions in the Account Auditing Act.

Likewise, the external auditor must hold one meeting a year with the plenary session of the Board of Directors to report on the work performed and the evolution of the Company's accounting and risk situation. In addition, pursuant to Article 16.2.8, each year the Audit Committee must issue, prior to the issuance of the audit report, a report expressing an opinion on the independence of the account auditors or audit companies. In addition, Article 16.2.11) establishes that the Audit Committee should serve as a communication channel between the Board of Directors and the Auditors, evaluating the results of each audit and the responses of the management team to its recommendations and mediating in the event of discrepancies between them in relation to the principles and criteria applicable in the preparation of financial statements.

The Committee will be responsible for supervising compliance with the audit contract, ensuring that the opinion on the annual accounts and the main contents of the audit report are drafted in a clear and precise manner (Article 16.2.14 of the Board of Directors Regulations). Likewise, the Board will refrain from contracting audit firms whose fees, for all matters, are greater than ten percent of their total income during the last financial year (Article 42.2 of the Board of Directors Regulations). In addition, the Board of Directors will publicly report the overall fees paid to the auditing firm for services other than auditing (Article 42.3 of the Board of Directors Regulations).

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

Yes No

Outgoing auditor	Incoming auditor

Observations

If there were any disagreements with the outgoing auditor, explain their content:

Yes No

Explanation of disagreements

C.1.32 Indicate whether the audit firm performs any non-audit work for the company and/or its group and, if so, state the amount of fees it received for such work and express this amount as a percentage of the total fees invoiced to the company and/or its group for audit work:

Yes No

	Company	Group companies	Total
Amount invoiced for non-audit services (thousands of euros)	66	14	80
Amount invoiced for non-audit work/Amount for audit work (in %)	59.45	11.29	34.00

Observations

C.1.33 Indicate whether the auditors' report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, indicate the reasons given to shareholders at the general meeting by the chairman of the audit committee to explain the content and extent of the qualified opinion or reservations.

Yes No

Explanation of the reasons and direct link to the document made available to the shareholders at the time that the general meeting was called in relation to this matter

C.1.34 Indicate the number of consecutive years for which the current audit firm has been auditing the company's individual and/or consolidated financial statements. Also, indicate the number of years audited by the current audit firm as a percentage of the total number of years in which the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	3	3

	Individual	Consolidated
Number of years audited by the current audit firm/number of years in which the company has been audited (in %)		

Observations

C.1.35 Indicate whether there is a procedure for directors to be sure of having the information necessary to prepare the meetings of the governing bodies with sufficient time; provide details if applicable:

Yes No

Details of the procedure
<p>In accordance with Article 26 of the Board of Directors Regulations, the Director is vested with the broadest powers to be informed about any aspect of the company, to examine its books, records, documents, and other corporate operations background, and to inspect all its facilities. The right to information extends to subsidiary companies, whether domestic or foreign. To avoid disturbing the ordinary management of the company, the exercise of the right to information will be channelled through the Chairperson or the Secretary of the Board of Directors, who will deal with requests from a Director providing them with the information directly, offering them the appropriate contact persons at the appropriate organisational level, and deciding on the appropriate measures to allow them to carry out the necessary examinations and inspections in situ. In accordance with the provisions in Article 10.4 of the Board of Directors Regulations, the Chairperson, with the collaboration of the Secretary, will ensure that the directors have the necessary information beforehand and sufficiently in advance for deliberation and the adoption of decisions on the matters to be discussed. An internal procedure was approved in 2020 to ensure that directors have the necessary documentation sufficiently in advance and is being applied to ensure that the agreed deadlines for making it available to directors are met. In addition, in order to provide directors with the necessary information sufficiently in advance of the meetings of the Board and its Committees, the Company has made a web platform available to them on which they are provided sufficiently in advance with the documentation corresponding to the agenda items to be dealt with in the meetings, as well as other relevant information.</p>

C.1.36 Indicate whether the company has established rules obliging directors to inform the Board of any circumstances, whether or not related to their actions in the company itself, that might harm the company’s standing and reputation, tendering their resignation where appropriate. If so, provide details:

Yes

No

Explain the rules
<p>The Directors must notify the Board, as soon as possible, of any event or situation that may be relevant to their performance as Directors of the Company, especially those circumstances that affect them, whether or not related with their actions at the Company, and which may damage the credit and reputation of the company, and in particular, criminal proceedings in which they are under investigation, as well as subsequent procedural events (Article 36.3 of the Board Regulations).</p> <p>Likewise, Article 24.3 of the Board Regulations establishes that the Directors must tender their resignation to the Board of Directors and formalise, if deemed appropriate, the corresponding resignation, in the following cases, among others:</p> <p>a) when they are affected by any of the applicable incompatibility or prohibition cases;</p> <p>b) when they are seriously admonished by the Appointments and Remuneration Committee for having breached their obligations as Directors;</p> <p>c) when remaining on the Board could seriously jeopardise the interests of the company or when the reasons for which they were appointed are no longer present; or</p> <p>d) when, in the case of Proprietary Directors, the shareholder they represent or who proposed their appointment fully transfers their shareholding, or reduces their shareholding to a level that requires a proportional reduction in the number of their Proprietary Directors.</p> <p>Additionally, Article 24 section 5 of the Regulations establishes that directors must inform the board of directors, and if appropriate, resign when situations arise that affect them, whether or not related to their actions in the company itself, that could damage the credit and reputation of the company and, in particular, of any criminal proceedings in which they are under investigation, as well as the procedural events thereof. Having been informed of or otherwise having become aware of any of the above situations, the board shall examine the case as soon as possible and, having regard to the particular circumstances, decide, upon a report from the appointments and remuneration committee, whether or not to take any action, such as opening an internal investigation, requesting the resignation of the director, or proposing the removal of the director. This will be reported in the annual corporate governance report, unless there are special circumstances that justify it, which will be recorded in the minutes.</p>

C.1.37 Indicate whether, apart from such special circumstances as may have arisen and been duly minuted, the Board of Directors has been notified or has otherwise become aware of any situation affecting a director, whether or not related to his or her actions in the company itself, that might harm the company’s standing and reputation:

Yes

No

Director's name	Nature of the situation	Observations

Indicate whether the Board of Directors has examined the case. If so, explain with reasons whether, given the specific circumstances, it has adopted any measure, such as opening an internal enquiry, requesting the director's resignation or proposing his or her dismissal.

Indicate also whether the Board decision was backed up by a report from the nomination committee.

Yes

No

Decision / action taken	Reasoned explanation

C.1.38 Detail any material agreements entered into by the company that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects.

The bond issue made by the Company's subsidiary MAGNON GREEN ENERGY, S.L. for an original nominal amount of €93M includes change of control clauses that regulate the possibility that, in that event, the bondholders may require the full redemption of the bonds, together with their interest and other amounts accrued in accordance with the terms of the issue.

C.1.39 Identify individually as regards directors, and in aggregate form in other cases, and provide details of any agreements between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal without due cause or termination of employment as a result of a takeover bid or any other type of transaction.

Number of beneficiaries	
Type of beneficiary	Description of the agreement
Chief Executive Officer and management level	- Chief Executive Officer: 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

	<p>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. The aforementioned notice and compensation are also excluded if the director's removal is due to breaches of law, contract, the Articles of Association or other applicable company regulations. 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 their removal for any reason, the director 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. In relation with this last compensation, it should be noted that it would not entail the payment of any additional amount upon termination of the contractual relationship between the company and the CEO - Contract with an executive: only in the event that Ancala or Ence transfer all of their respective shareholdings in the company, the executive may unilaterally terminate this contract with the right to receive gross compensation equivalent to the sum of the following amounts: (i) an annuity of the agreed annual variable remuneration that the executive was receiving at the time of termination of the contract; and (ii) the amount of the last agreed annual variable remuneration that the executive would have received prior to the termination of the contract. This termination must take place within six months of the effective transfer of the shares described</p>
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	<p>in this paragraph - Contract with a manager: they will receive compensation equivalent to five months' gross remuneration in the event of termination of the contract by unilateral decision of the company for any reason, except in the case of fair disciplinary dismissal, in which case the manager will not receive any compensation. In the event that the legally applicable compensation is greater than the amount set out in this clause, the legally established compensation will be paid. - Contract with a Director: in the event of unilateral termination by the company during the first 12 months of the employment contract, the director will be entitled to receive, by way of compensation, the gross amount equivalent to one year's gross fixed remuneration, except in the case of fair dismissal declared firm in a ruling, or by arbitration award or administrative resolution, cases in which the director will not be entitled to receive any compensation. - Contract with a Director: in the event of unilateral termination by the company during the first 24 months of the employment contract, the director will be entitled to receive, by way of compensation, a gross sum equivalent to six months' fixed remuneration, except in the case of fair dismissal declared firm in a ruling, or by arbitration award or administrative resolution, cases in which the director will not be entitled to receive any compensation. During the following 12 months, the director will be entitled to receive, by way of compensation, a gross sum equivalent to three months' fixed remuneration, except in the case of fair dismissal declared firm in a ruling, or by arbitration award or administrative resolution, cases in which the director will not be entitled to receive any compensation.</p>
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Indicate whether, beyond the cases established by legislation, these agreements have to be communicated and/or authorised by the governing bodies of the company or its group. If so, specify the procedures, the cases concerned and the nature of the bodies responsible for their approval or communication:

	Board of directors	General shareholders' meeting
Body authorising the clauses	√	

	YES	NO
Are these clauses notified to the General Shareholders' Meeting?	√	

Observations
The Board of Directors is responsible for authorising the contractual clauses relating to the Chief Executive Officer and the members of the Management Committee, without authorising the clauses of the other executives or employees.

The Annual General Meeting of Shareholders has been informed of the contractual clauses related with the CEO and the other executives or employees through this report and the annual report on director remuneration.

C.2 Committees of the Board of Directors

C.2.1 Provide details of all committees of the Board of Directors, their members, and the proportion of executive, proprietary, independent and other external directors forming them:

EXECUTIVE COMMITTEE

Name	Position	Current
Ms IRENE HERNÁNDEZ ÁLVAREZ	MEMBER	Independent
Mr IGNACIO DE COLMENARES BRUNET	CHAIRMAN	Executive
Mr FERNANDO ABRIL- MARTORELL HERNÁNDEZ	MEMBER	Other external member
Mr JOSE GUILLERMO ZUBIA GUINEA	MEMBER	Other external member
Mr ÓSCAR ARREGUI ABENDIVAR	MEMBER	Proprietary Director

% of executive directors	
% of proprietary directors	
% of independent directors	
% of other external directors	

Observations

Explain the functions delegated or assigned to this committee, other than those that have already been described in Section C.1.9, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

Pursuant to Article 46 of the Articles of Association, the Executive Committee will be formed by a minimum of four Directors and a maximum of eight, including the Chairperson.

Within these limits, the number of members is determined by the Board of Directors, ensuring the presence of at least two non-executive directors, at least one of whom must be independent (article 15.1 of the Board of Directors Regulations). It reports its agreements to the Board at the following meeting, and all the Directors are provided

with a copy of the minutes of Executive Committee sessions. It has all the same powers as the Board of Directors except those which cannot be delegated under the law, the Articles of Association, or the Board of Directors Regulations.

During 2023, the executive committee held 4 meetings in which it analysed the documentation and information previously provided by the company and analysed various issues, focusing mainly on the analysis and monitoring of corporate and financial operations, hedging framework, and investments.

AUDIT COMMITTEE

Name	Position	Current
Ms IRENE HERNÁNDEZ ÁLVAREZ	CHAIRMAN	Independent
Mr JOSE GUILLERMO ZUBIA GUINEA	MEMBER	Other external member
Mr JAVIER ARREGUI ABENDIVAR	MEMBER	Proprietary Director
Ms CARMEN AQUERRETA FERRAZ	MEMBER	Independent
Ms ROSA MARÍA GARCÍA PIÑEIRO	MEMBER	Independent

% of executive directors	0.00
% of proprietary directors	20.00
% of independent directors	60.00
% of other external directors	20.00

Observations

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

In accordance with article 16.1 of the board of directors' regulations and article 47 of the articles of association, the audit committee will be formed by a minimum of three and a maximum of seven directors. Its members will be exclusively non-Executive Directors, the majority of whom will be Independent Directors, and as a whole will be appointed based on their knowledge and experience in accounting, auditing, and risk management, both financial and non-financial.

The Audit Committee meets periodically as necessary, at least four times a year. Members of the executive team or company staff must attend the Committee sessions, collaborate and allow it to access the information they possess when required to do so, and will have a voice but no voting rights. The agreements adopted in each session of the Board are

reported at the following session of the Board of Directors and a copy of the minutes of the committee's sessions will be made available to all the Directors.

Its functions, the full wording of which is contained in article 16 of the regulations of the board of directors, are as follows:

- 1) Report to the Annual General Meeting of Shareholders through the Chair of the Committee on any issues arising within its area of competence;
- 2) Propose to the Board of Directors, for submission to the Annual General Meeting of Shareholders, the appointment, contracting conditions, scope of the professional mandate, re-election, and, as the case may be, the termination or non-renewal of account auditors or auditing companies.
- 3) Ensure the independence and effectiveness of internal audits.
- 4) Regularly collect information from internal audit on the audit plan and its implementation,
- 5) Monitor and assess the preparation process and the integrity of financial and non-financial information;
- 6) Monitor compliance with the company's internal codes of conduct
- 7) Establish the appropriate relations with the accounts auditors to receive information on matters that could place their independence at risk for examination by the Committee
- 8) Issue, on an annual basis, a report expressing an opinion on the independence of the auditors or audit firms
- 9) Ensure that the Company notifies the CNMV of the change of auditor and accompanies this notification with a statement on the possible existence of disagreements with the outgoing auditor.
- 10) Ensure that the annual accounts that the Board of Directors submits to the General Shareholders' Meeting are drawn up in accordance with accounting regulations; overseeing compliance with legal requirements, the correct application of generally accepted accounting principles and the proper delimitation of the scope of consolidation,
- 11) Serve as a communication channel between the Board of Directors and the auditors,
- 12) Supervise and assess the effectiveness of the internal control and financial and non-financial risk management systems relating to the Company, and where appropriate, the group,
- 13) Monitor in general that the established internal control policies and systems are effectively implemented in practice;
- 14) Oversee compliance with the audit contract,
- 15) Provide advance notice about the Board's adoption of the corresponding agreement regarding the prospectus and the periodic financial information that the Company must provide to markets and supervisory bodies;
- 16) Establish and oversee a mechanism to enable employees and other persons associated with the Company to report potentially significant irregularities.
- 17) Report on related-party transactions to be approved by the General Meeting or the Board of Directors.
- 18) Report to the Board of Directors on all matters provided for in the Law, the Articles of Association and this Regulation and, in particular, on the creation or acquisition of holdings in special purpose entities domiciled in countries or territories considered tax havens.
- 19) Evaluate, at least once a year, its functioning

20) Analyse and report in advance to the Board of Directors on the modification operations that the Company plans to carry out, their economic conditions and their accounting impact

21) Supervise the communication strategy and the relationship with shareholders and investors;

On the occasion of the General Meeting of Shareholders for the 2024 financial year, the Audit Committee's Operating Report was made available to shareholders on the Company website, detailing its actions during the 2023 financial year.

In the exercise of its functions, it has monitored the main risks and their mitigation plans, as well as analysing the risk map; reviewing the quarterly financial reports and the half-yearly and annual accounts to be drawn up by the Board of

Directors; the review of the 2022 Internal Audit Annual Report, the approval of the 2023 Internal Audit Plan and the review of the other annual reports: fiscal, ethics and compliance management, independence of the external auditor and functioning of the committee.

Identify the directors who are members of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date on which the Chairperson of this committee was appointed.

Names of directors with experience	Ms IRENE HERNÁNDEZ ÁLVAREZ / Mr JOSE GUILLERMO ZUBIA GUINEA
Date of appointment of the chairperson	26 March 2021

Observations

NOMINATION AND REMUNERATION COMMITTEE

Name	Position	Current
Ms IRENE HERNÁNDEZ ÁLVAREZ	MEMBER	Independent
Mr FERNANDO ABRIL-MARTORELL HERNÁNDEZ	MEMBER	Other external member
Ms MARÍA PAZ ROBINA ROSAT	CHAIRMAN	Independent
Ms ROSALÍA GIL-ALBARELLOS MARCOS	MEMBER	Independent
Mr GORKA ARREGUI ABENDIVAR	MEMBER	Proprietary Director

% of executive directors	0.00
% of proprietary directors	20.00
% of independent directors	60.00
% of other external directors	20.00

Observations

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

Pursuant to Article 17 of the Board of Directors Regulations (“regulations”), and article 48 of the articles of association of the Appointments and Remuneration Committee (“CNR”), it will be formed by the number of non-Executive Directors decided by the Board of Directors, with a minimum of three members and a maximum of seven, the majority of which must be Independent Directors.

The CNR meets every time the Board or its Chairman requests the issue of a report or the adoption of proposals, and in any case, whenever it is appropriate to ensure the proper performance of its functions, and at least 4 times a year. In any case, at one of the annual meetings, information is prepared on directors' remuneration, which the board must approve and include in its annual public documentation (art. 17.4 of the regulations).

Its functions are described in art. 17 of the regulation, and are:

- a) To assess the skills, knowledge and experience needed in the Board of Directors;
- b) To examine the Company's compliance with corporate governance rules and make the necessary proposals for improvement;
- c) To submit proposals to the Board for the re-election, removal or appointment of independent board members, and report on proposals for the re-election, removal or appointment of the remaining board members;
- d) To ensure, within the scope of its competencies, that when filling new vacancies or appointing new directors, the selection procedures favour diversity and do not suffer from biases that could imply any discrimination, and that they facilitate the selection of female directors in a number that allows for a balanced presence of women and men, establishing a representation target for the under-represented gender and drawing up guidelines on how to achieve this target;
- e) To examine and organise the succession of the Chair of the Board and the Chief Executive of the Company, and where appropriate, make proposals to the Board so that such succession takes place in an orderly and well-planned manner;
- f) To report, prior to their submission to the Board, on proposals for the appointment or removal of the Secretary of the Board;
- g) To propose the members who should be part of each of the Committees to the Board;
- h) To report on the appointments and removal of Senior Management in the Company that the Chief Executive may propose to the Board;
- i) To propose to the Board of Directors the system and amount of annual remuneration of directors and senior management, as well as the other basic conditions of the contracts of executive directors and their individual remuneration
- j) To propose the periodic review of the remuneration policy for directors and the remuneration programmes for Senior Management, including share-based remuneration systems and their application, assessing their appropriateness and performance, ensuring

compliance therewith and verifying the information on remuneration of Directors and Senior Management, as well as ensuring that their individual remuneration is proportionate to that paid to the other Directors and Senior Management of the Company;

- k) To propose measures for remuneration transparency and ensure compliance;
- l) In the event that the Board has been informed that a director is in a situation which affects them and which may damage the credit of the Company, to inform the Board whether or not the Company should take any action, such as opening an internal investigation, requesting their resignation or proposing their removal;
- m) To evaluate, at least once per year, their performance and the quality of their work;
- n) To report on the evaluation process of the chairperson of the board and the chief executive of the company; and submit to the board the results of the board's evaluation together with a proposal for an action plan or recommendations, which may include that of the committees; and be informed of the evaluation process of senior management;
- o) To propose and periodically supervise programmes to update the knowledge of the directors;
- p) To report in advance on the transactions carried out, if any, by the directors on the terms established in articles 33.2, 34.1, 35.1 and 36.2 of these Regulations.
- q) To supervise the communication strategy and the relationship with voting advisors.
- r) To ensure that conflicts of interest do not undermine the independence of any external advice provided to the committee.
- s) The remaining aspects specifically provided for in the Law, the Articles of Association and these Regulations.

In the exercise of its duties, the Appointments and Remuneration Committee will consult with the chairperson of the board of directors and the chief executive of the Company, especially on matters relating to executive directors and senior management of the Company.

On the occasion of the general shareholders' meeting of the 2024 financial year, the Operating Report was made available to the shareholders on the Company website, detailing the actions of the appointments and remuneration committee during the 2023 financial year.

Its most important actions in the exercise of its duties have been, among others, the formulation of the report on the directors' remuneration policy and the definition of the 2023-2027 Long-Term Incentive Plan. It also carried out the determination of the annual variable remuneration of senior management for 2022 and the targets associated with the annual variable remuneration for 2023, the review of the competency matrix, as well as the review of the annual corporate governance report and the annual remuneration report 2022. Finally, it is worth noting the review of the organisation and talent of the Steering Committee, as well as the monitoring of its objectives.

NOMINATION COMMITTEE

Name	Position	Current

% of executive directors	
% of proprietary directors	
% of independent directors	
% of other external directors	

Observations

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

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REMUNERATION COMMITTEE

Name	Position	Current

% of proprietary directors	
% of independent directors	
% of other external directors	

Observations

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

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SUSTAINABILITY COMMITTEE

Name	Position	Current
Ms MARÍA PAZ ROBINA ROSAT	MEMBER	Independent
Mr JAVIER ARREGUI ABENDIVAR	MEMBER	Proprietary Director
Ms ROSALÍA GIL- ALBARELLOS MARCOS	MEMBER	Independent

Ms ROSA MARÍA GARCÍA PIÑEIRO	CHAIRMAN	Independent
Mr ANGEL AGUDO VALENCIANO	MEMBER	Proprietary Director

% of executive directors	0.00
% of proprietary directors	40.00
% of independent directors	60.00
% of other external directors	0.00

Observations

Explain the functions assigned to this committee and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

The Sustainability Committee is governed by Article 17 bis of the Board Regulations, and in Article 49 of the Articles of Association, which determine that it will be composed exclusively of non-executive directors, with a majority of independent directors, appointed by the Board of Directors at a number determined thereby, and have a minimum of three and a maximum of seven members. Said members will be elected from among the Company Directors, based on their experience and knowledge with regard to the responsibilities assigned to the Committee. The Sustainability Committee meets as often as is deemed necessary for the proper performance of its functions, and in any case, four times a year. Anyone required to do so may attend the sessions of the Committee, and will have a voice but no voting rights. The Committee reports its actions to the Board of Directors periodically and whenever it deems it appropriate to do so.

Without prejudice to other duties that may be assigned to it by the board of directors, the main functions of the sustainability committee, as set out in article 17 bis of the regulations of the board of directors, are as follows:

- a) Periodically reviewing the sustainability policy and proposing to the Board of Directors that it be updated so that it is oriented towards the creation of value and the promotion of social interest, taking into account, as appropriate, the legitimate interests of the remaining stakeholders.
- b) Identifying and proposing to the Board of Directors the specific sustainability policies to be included in the Company's internal regulations.
- c) Defining and updating as appropriate the Company's sustainability strategy for its proposal to the Board, focusing on all aspects and issues identified as sustainability risks or opportunities for the Company, supervising that it is aligned with the corporate strategy and that it addresses the material aspects for the Company's stakeholders. It is also responsible for monitoring and assessing the degree of compliance, reporting to the Board of Directors as appropriate.
- d) Reporting, prior to its review by the Audit Committee and its approval by the Board of Directors, on the process of preparation and presentation of the annual statement of non-financial information (Annual Sustainability Report).

- e) Coordinating non-financial and diversity reporting processes in accordance with applicable legislation and international benchmarks.
- f) Proposing the appointment of the independent third party who must verify the non-financial information statement.
- g) Ensuring that the company's culture is aligned with its purpose and values.
- h) Being aware of significant legal modifications in the field of sustainability with a possible significant impact on society, as well as emerging trends such as circular economy or natural capital in order to analyse them, and where appropriate, promote action plans.
- i) Supervising and evaluating the strategy of dialogue with the different stakeholders as well as the procedures and channels of communication with them, within the scope of its competencies, ensuring that it responds to the main interests, expectations and demands of the Company's stakeholders.
- j) Being familiar with and promoting the Company's social action strategy and its community relations plans.

On the occasion of the general meeting of shareholders of the 2024 financial year, the operating report with details of the activities of the sustainability committee during the 2023 financial year was made available to the shareholders on the Company website.

Its most important actions in the exercise of its functions in practice have been the favourable report on the statement of non-financial information and the 2024-2028 Sustainability Master Plan, the quarterly monitoring of compliance with the sustainability objectives for 2023, the review of the information relating to sustainability contained in the quarterly financial information and the analysis of regulatory developments, as well as their implications for the business and the action plans adopted by the Company.

C.2.2 Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

	Number of female directors							
	Year 2023		Year 2022		Year 2021		Year 2020	
	Number	%	Number	%	Number	%	Number	%
Executive committee	1	14.28	1	14.28	1	12.50	0	0.00
Audit committee	3	60.00	3	60.00	3	60.00	3	20.00
Nomination and Remuneration committee	3	60.00	3	60.00	3	40.00	2	20.00
Nomination committee								
Remuneration committee								
Sustainability committee	3	60.00	3	40.00	2	16.66	1	16.66

Observations

C.2.3 Indicate, where applicable, the existence of any regulations governing Board committees, where these regulations are to be found, and any amendments made to them during the year. Also indicate whether any annual reports on the activities of each committee have been voluntarily prepared.

EXECUTIVE OR DELEGATED COMMITTEE

The Executive Committee is governed both in the Articles of Association and the Board of Directors Regulations.

Furthermore, the provisions of the Regulation on the functioning of the Board of Directors will apply to the Executive Committee, insofar as is possible. There are no specific regulations for the Executive Committee.

The Articles of Association and the Board of Directors Regulations in force at any time can be accessed on the Company's website, at the address www.ence.es.

AUDIT COMMITTEE

The Audit Committee is governed both in the Articles of Association and the Board of Directors Regulations.

Furthermore, the provisions of the Regulation on the functioning of the Board of Directors shall apply to the Audit Committee, insofar as is possible. There are no specific regulations for the audit committee.

The Board of Directors Regulations in force at any time can be accessed on the Company's website, at the address www.ence.es.

The Audit Committee has prepared the performance report for the 2023 financial year, in accordance with the recommendations set out in Technical Guide 3/2017 of the CNMV on Audit Committees of Public-Interest Entities.

APPOINTMENTS AND REMUNERATION COMMITTEE

The Appointments and Remuneration Committee is governed both in the Articles of Association and the Board of Directors Regulations. There are no specific regulations for the Appointments and Remuneration Committee.

The Articles of Association and the Board of Directors Regulations in force at any time can be accessed on the Company's website, at the address www.ence.es.

The Appointments and Remuneration Committee has prepared the 2023 Operating Report, as recommended by the CNMV's Technical Guide 1/2019 on Appointments and Remuneration Committees.

SUSTAINABILITY COMMITTEE

The governing of the Sustainability Committee can be found in the Board of Directors Regulations and the Articles of Association. There are no specific regulations for the Sustainability Committee.

The Board of Directors Regulations in force at any time can be accessed on the Company's website, at the address www.ence.es. The sustainability committee has drawn up the operating report for the financial year 2023.

D RELATED PARTY AND INTRAGROUP TRANSACTIONS

- D1 Explain, where appropriate, the procedure and competent bodies relating to the approval of transactions with related and intragroup parties, indicating the criteria and general internal rules of the entity that regulate the abstention obligations of the affected director or shareholders. Detail the internal information and periodic control procedures established by the company in relation to those related-party transactions whose approval has been delegated by the board of directors.

At the end of 2021, the Board of Directors approved the Related-Party Transactions Policy, which sets out the procedure and competent bodies for the approval of related-party and intra-group transactions, which reproduces the provisions of the Law. The above is also regulated in the Board of Directors Regulations (Article 16.2 section 17 and Article 39).

The Company's related-party transactions may be approved, as described below, by the General Meeting or by the Board of Directors, who may also delegate them under certain conditions:

- Approval by the General Meeting:

Ence's General Shareholders' Meeting is the competent body for the approval of Related-Party Transactions whose amount or value is equal to or exceeds 10% of total asset items according to the latest annual balance sheet approved by the Company.

When the general meeting is called to decide on a related-party transaction, the relevant shareholder shall not have the right to vote, except where the proposed resolution has been approved by the board of directors without the majority of independent directors voting against.

The approval of the Related-Party Transaction by the General Meeting will be subject to a prior report of the Audit Committee. In its report, the committee must:

- (i) assess whether the transaction is fair and reasonable from the viewpoint of the Company and, if applicable, of the shareholders other than the related party, and
- (ii) give an account of the assumptions underlying the assessment and the methods used. The directors concerned may not participate in the preparation of the report.

-Approval by the Board of Directors:

Ence's Board of Directors is the competent body to approve the remaining Related-Party Transactions not identified in the previous section. The director concerned must abstain from participating in the deliberation and voting on the corresponding resolution pursuant to laws and regulations.

The approval of the Related-Party Transaction by the Board of Directors must be subject to a prior report by the Audit Committee. In its report, the committee must:

- (i) assess whether the transaction is fair and reasonable from the viewpoint of the Company and, if applicable, of the shareholders other than the related party, and
- (ii) give an account of the assumptions underlying the assessment and the methods used. The directors concerned may not participate in the preparation of the report.

- Delegated approval:

Notwithstanding the above, the Company's Board of Directors may delegate the approval of the following Related-Party Transactions to delegated bodies or the senior management:

- i) Transactions between companies forming part of the same group, which are carried out in the ordinary course of business and on an arm's length basis;
- ii) Any transactions that are agreed: (i) by virtue of contracts whose terms are standardised and applied en masse to a large number of customers; (ii) they are made at generally established prices or rates by the party acting as the supplier of the good or service in question; and (iii) their amount does not exceed 0.5% of the Company's annual revenue.

The delegated approval of these related-party transactions will not require a prior report from the Audit Committee. The Board of Directors will nevertheless establish an internal reporting and periodic audit

procedure, which must involve the Audit Committee and which will verify the fairness and transparency of such transactions, and as applicable, compliance with the legal criteria applicable to the above exceptions.

The material alteration of the scope or price of a Related-Party Transaction previously approved by the relevant body in accordance with the above paragraphs, and the material modification of its duration or of any of the other essential conditions, will require a new approval by the same body, unless the change in the Related-Party Transaction had already been taken into account at the time of its initial approval or these are mere acts of performance.

D2 Give individual details of operations that are significant due to their amount or of importance due to their subject matter carried out between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or who are represented on the board of directors of the company, indicating which has been the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the board without a vote against the majority of the independents:

Name or company name of the shareholder or any of its subsidiaries	% Shareholding	Name or company name of the company or entity within its group	Nature of the relationship	Type of operation and other information required for its evaluation	Amount (thousands of euros)	Approving body	Identity of the significant shareholder or director who has abstained	The proposal to the board, if applicable, has been approved by the board without a vote against the majority of independents
No data								

Observations

D3 Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with the administrators or managers of the company, including those operations carried out with entities that the administrator or manager controls or controls jointly, indicating the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the board without a vote against the majority of the independents:

Name or company name of the administrators or managers or their controlled or jointly controlled entities	Name or company name of the company or entity within its group	Relationship	Nature of the operation and other information necessary for its evaluation	Amount (thousands of euros)	Approving body	Identity of the shareholder or director who has abstained	The proposal to the board, if applicable, has been approved by the board without a vote against

							the majority of independent s
No data							

Observations

D.4 Report individually on intra-group transactions that are significant due to their amount or relevant due to their subject matter that have been undertaken by the company with its parent company or with other entities belonging to the parent's group, including subsidiaries of the listed company, except where no other related party of the listed company has interests in these subsidiaries or that they are fully owned, directly or indirectly, by the listed company.

In any case, report any intragroup transaction conducted with entities established in countries or territories considered as tax havens:

Company name of the entity within the group	Brief description of the operation and other information necessary for its evaluation	Amount (thousands of euros)
No data		

Observations

D5 Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with other related parties pursuant to the international accounting standards adopted by the EU, which have not been reported in previous sections.

Company name of the related party	Brief description of the operation and other information necessary for its evaluation	Amount (thousands of euros)
No data		

Observations

D6 Give details of the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, senior management, significant shareholders or other associated parties.

The mechanisms applicable during the financial year 2023 were as described below:
Article 32 of the Articles of Association entrusts the Board of Directors with defining, through the Board of Directors Regulations, the specific obligations of Directors arising from the duty of loyalty, and in particular from the duties to maintain the confidentiality of the Company's information to which they have access during the performance of their duties, and to not carry out activities which involve effective competition with those of the Company. In addition, the Board of Directors Regulations will focus in particular on conflicts of interest, and will establish the appropriate procedures and guarantees for authorising or waiving them in accordance with the provisions in Articles 229 et seq. of the Capital Companies Act. With regard to conflicts of interest, the Board of Directors Regulations (Article 32) establishes that board members must refrain from participating in deliberations and votes on agreements or decisions in which they or a related person have a direct or indirect conflict of interest. The above refraining obligation will not extend to agreements or decisions which concern them in their capacity as Directors, such as their appointment or removal for positions in the administrative body or others of similar significance. In any case, Directors must inform the Board of Directors of any direct or indirect conflict of interest which they or persons related to them may have with the Company. Conflicts of interest involving Company directors will also be reported in the Annual Corporate Governance Report and in the report on the annual accounts.
A Director may not directly or indirectly make professional or commercial transactions with the company, unless they report the situation of conflict of interest in advance and the Board approves the transaction following the issue of a report by the Audit Committee. Through the Audit Committee, the Board of Directors will ensure that said transactions are made under market conditions and respect the principle of equal treatment of shareholders. In turn, Article 39.4 of the Board of Directors Regulations establishes that in any case the approval by the Board of Directors of the transactions described in the previous paragraph is subject to a report issued previously by the Audit Committee, in which the transaction will be assessed to establish whether it respects the principle of equal treatment of shareholders and is carried out under market conditions.

D.7 Indicate whether the company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and whether it has, directly or through any of its subsidiaries, business relationships with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them.

Yes No

Indicate whether the respective areas of activity and any business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries have been defined publicly and precisely:

Yes No

Report covering the respective areas of activity and any business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries, and identify where these aspects have been publicly reported
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Identify the mechanisms in place to resolve potential conflicts of interest between the parent of the listed company and the other group companies:

Mechanisms for resolving possible conflicts of interest
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E RISK MANAGEMENT AND CONTROL SYSTEMS

- E1 Explain the scope of the company's financial and non-financial risk management and control system, including tax risk.

Ence's Risk Management and Control System (hereinafter "RMCS") is a process that is integrated into the organisation and focused on identifying, assessing, prioritising, responding to, and following up on situations that pose a threat to the company's activities and objectives. This process involves the participation of different areas of the company with specific responsibilities that cover all phases of the process.

Ence's Risk Management System (RMS) encompasses Ence and all of the Group's companies, all of its businesses (cellulose, renewable energy, and forestry), and the activities of its corporate areas, and is defined and regulated in the Risk Management and Control Policy and in the Risk Management Procedure approved by the Board of Directors of the company. Said Risk Management and Control System is periodically revised to include best practices in this area.

Ence's RMS has been defined pursuant to the guidelines of international reference frameworks, in particular, the Enterprise Risk Management Integrated Framework of COSO (Committee of Sponsoring Organizations of the Treadway Commission) and is periodically reviewed to incorporate the best practices in this area.

The RMCS specifies all risk factors that have been identified for the different objectives of the organisation taking into account different scenarios and time horizons (short, medium, and long-term). The risks, like the objectives, are categorised as relating to strategy, operations, financial reporting, and regulatory compliance, as well as by origin (internal or external). Furthermore, the RMCS establishes the following types of risks according to their nature: environment risks, risks relating to information in decision-making, financial risks, organisational risks, operational risks, criminal risks, tax risk factors, and reputational risks.

Every six months, Ence identifies and assesses new risks and monitors the evolution of previously identified risks and risks that have ended or materialised in previous periods. It also updates the information regarding the controls and action plans associated with identified risks. Such monitoring and control aims to manage risks by ensuring compliance with and effectiveness of the agreed action plans and to have continuous supervision of the company's main risks.

The result of this process is the Risk Register and Risk Map, which are presented to the Management Committee for joint discussion and evaluation. Subsequently, the Risk Register and Risk Map are submitted to the Audit Committee for review and reporting to the Board of Directors for subsequent approval by the Board.

The Audit Committee periodically monitors the fiscal risks facing the company in order to help the Board of Directors establish the fiscal risk management and control policy. To this end, Ence has a

team of external advisors and experts, as well as specific resources available in the company, who have set out internal guidelines for fiscal compliance and low risk appetite in this area.

Ence also has a Risk Management System for the prevention of offences. It includes numerous measures and controls designed to prevent or reduce as much as possible the risk of a criminal act being committed, and to ensure that the company's employees, executives, and administrators act in accordance with the law at all times as they perform their professional activities. The aforementioned Criminal Risk Management System is updated periodically and during 2023 has been certified by AENOR, in accordance with the requirements of the UNE 19601:2017 standard.

With the aim of being able to comprehensively supervise and monitor all the Company's activities, Ence keeps a Criminal Risk Map updated, identifying all the activities that present opportunities for criminal acts and therefore criminal liability risks for Ence.

In addition to covering offences that could result in criminal liability for Ence, other offences have been included in the criminal risk map. While these do not imply criminal liability for the legal person, committing them could lead to legal consequences for the Company as outlined in Article 129 of the Criminal Code.

E2 Identify the bodies within the company responsible for preparing and executing the financial and non-financial risk management and control system, including tax risk.

BOARD OF DIRECTORS

The Board of Directors is the Company's highest decision-making body, with the exception of matters reserved for the jurisdiction of the Annual General Meeting. The Board of Directors is responsible for ensuring the integrity and correct functioning of ENCE's Risk Management and Control System, monitoring the risks identified and the agreed upon control measures and action plans to manage threats to the company's objectives.

The policy adopted by Ence's Board of Directors is to delegate company management in order to concentrate on its supervisory role, not being able to delegate non-delegable powers in accordance with the provisions of the Capital Companies Act.

AUDIT COMMITTEE

The Audit Committee assists the Board of Directors in its monitoring and control functions through supervision of the effectiveness of the internal control of the company, internal audit and the preparation and preparation process of financial and non-financial information Likewise, the Board of Directors Regulations allow the Audit committee to "supervise and evaluate the effectiveness of the internal control and financial and non-financial risk management systems relating to the company and, where appropriate, the group, including operational, technological, legal, social, environmental, climate, political, and reputational risks, or risks related to corruption; and discuss with the auditors or audit firms any significant weaknesses in the internal control system detected during the course of the audit."

INTERNAL AUDIT DEPARTMENT

Ence has an internal audit function, reporting directly to the Audit Committee, which has the following responsibilities:

- Developing the group's risk management procedures and criteria and presenting them, via the Audit Committee, to the Board of Directors for approval.
- Ensure that risk management procedures and criteria that have been approved by the Board of Directors are correctly implemented
- Providing support and guidance for risk managers in all areas related to risk management.

- Advising the Audit Committee of any identified risks to be approved by the aforementioned, as well as the plans and actions proposed by the risk manager.
- Developing and periodically updating the risk map based on previously approved action plans and proposals.
- Informing the Board of Directors, via the Audit Committee, about risks that have emerged, underlining the circumstances that caused them and if the established control systems have worked.
- Periodically monitoring the extent to which approved action plans are implemented.
- Periodically informing the Audit Committee of the emergence of new risks, the evolution of those identified, the extent to which action plans are being implemented, and the general operation of the risk management system.

ETHICS AND COMPLIANCE COMMITTEE

The Ethics and Compliance Committee, which reports directly to the Board of Directors Audit Committee, is responsible for defining and updating Ence's criminal risk map, which identifies the company's activities within the scope of which the criminal offences that must be prevented may be committed. Its main functions are to:

- Promote knowledge, application, dissemination and compliance with Ence's Code of Conduct, promoting training and dissemination actions.
- Promote the approval and implementation of rules and procedures necessary for the development and compliance with Ence's Code of Conduct.
- Receive information on internal communications sent through the channel developed for this purpose and available on the Ence website and the corporate intranet.
- Supervise, control, and assess the operation of the Model for the Prevention of Offences, in coordination with those directly responsible for the controls, as established by the company for offence prevention.
- Promote training plans on the Model for the Prevention of Offences.
- Advise Ence's Management regarding decisions that could imply a possible criminal liability for the legal entity.
- Manage a repository of documentary evidence of the effective exercise of control and continuous supervision of the Crime Prevention Model.
- Periodically inform the Ence Audit Committee of the assessment results in relation to the Model for the Prevention of Offences.
- Supervise compliance with all regulations related to the protection of personal data.

RISK MANAGERS

General directors and managers of the different business areas and corporate functions are responsible for the different risks, performing, among other things, the following duties:

- Identify situations of risk that effect the fulfilment of objectives within their area of responsibility.
- Assess identified risks according to the methodology available.
- Inform of these risks by taking part in the established risk reporting process for this purpose and by using the tools made available for them.
- Follow the guidelines regularly outlined regarding risk management
- Inform the internal auditor of the risks identified, the proposed action plan, as well as the level of progress of their implementation.

E3 Indicate the main financial and non-financial risks, including tax risks, as well as those deriving from corruption (with the scope of these risks as set out in Royal

Decree Law 18/2017), to the extent that these are significant and may affect the achievement of business objectives.

<p>The company's main risks are as follows:</p> <ol style="list-style-type: none">1. ENVIRONMENTAL RISKS:<ul style="list-style-type: none">- Risk of pulp price volatility: on the world market influenced by global production or demand.- Energy pool price risk (daily/intraday)- Risk of changes in the regulation of the energy market- Risk of market share loss, with respect to contracting demand for products and possible changes in market preferences.- Fiscal risk, derived from the Public Administrations' fiscal policy.2. LEGAL RISKS:<ul style="list-style-type: none">- Risk of potential regulatory non-compliance3. FINANCIAL RISKS:<ul style="list-style-type: none">- Risk of exchange rate and interest rate volatility. The price of pulp is set in dollars, with the euro/dollar exchange rate having an impact on revenue.- Liquidity and capital risk- Trade credit risk in pulp customers.4. ORGANISATIONAL RISKS:<ul style="list-style-type: none">- The risks inherent to Ence's social and personnel-related issues are potential damage to workers' health, and accidents and injuries at work.5. OPERATIONAL RISKS:<ul style="list-style-type: none">- Risk of loss of competitiveness due to increased operating costs- Risks of rising raw material costs- Risk of wood and biomass supply shortfall- Risk of obsolescence of operations- Risk of water restrictions in the operational environment- Risk of strikes by third parties that could affect Ence- Risk of impact of the company's activities on the environment- Risk of unavailability of facilities

E.4 Indicate whether the entity has risk tolerance levels, including for tax risk.

<p>In accordance with ENCE's Risk Management and Control Policy, the company has implemented a methodology for assigning specific risk appetite levels based on the activities carried out. The Company's degree of risk acceptance is contingent on ensuring that the potential benefits and risks are fully understood prior to decision-making and, where appropriate, reasonable measures are put in place to manage such situations.</p> <p>ENCE analyses each situation based on the relationship between risk and return. In this respect, the analysis involves factors such as strategy, stakeholder expectations, current legislation, the environment, and relationships with third parties:</p> <ol style="list-style-type: none">1. ENCE adopts a zero risk appetite level for all situations in which the health and safety of employees and collaborators could be compromised, a priority in its actions.2. ENCE has a focus on minimising its exposure to situations related to compliance with legislation and regulations affecting the company, especially with regard to the impact that its operations may have on the environment and the surroundings in which it operates, as well as the Group's reputation with third parties and the continuity of the business.3. ENCE has a team of external advisors as well as specialised internal staff who have set internal guidelines for tax compliance and zero risk assumption in this area.
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4. ENCE adopts a moderate level of risk appetite for situations related to the research, development, and innovation of its products, aimed at providing solutions that fully meet the needs of its customers and making the company a benchmark in the pulp market.
5. Likewise, aware of the current difficulties in relation to the economic environment in which it operates, ENCE is committed to establishing financial discipline that will enable it to keep the organisation's total debt under control and provide it with sufficient liquidity to meet its payments and priority investments. In this respect, the company adopts a low risk appetite for speculative financial transactions.
6. However, a large volume of ENCE's operations are associated with the exchange rate between the US Dollar (\$) and the Euro (€). ENCE, aware of the economic situation and the evolution of the exchange rate between the two currencies, adopts a low risk appetite in this area through rigorous management in accordance with the guidelines set by the Board of Directors Executive Committee, and where appropriate, the Finance Department. Although the corporate policy approved by the Board of Directors is to hedge the currency risk within 12 months and at a percentage of 50%, the Executive Committee, depending on the circumstances, may alter both the percentages and the deadlines.

E5 Indicate which risks, including tax risks, have materialised during the year.

The following risks have materialised during the 2023 financial year:

VOLATILITY IN THE PRICE OF PULP: The price of pulp is established in an active market, the evolution of which significantly affects Ence's revenue and profit. During 2023, the existence of uncertainty scenarios in the pulp market mainly as a result of the Russian invasion of Ukraine, has had an impact on the company's performance.

EXCHANGE RATE AND INTEREST RATE VOLATILITY: The euro to dollar exchange rate proved to be extremely volatile in 2023. Ence has periodically monitored the foreign exchange market in order to contract financial hedges and/or futures to mitigate impacts, if necessary.

OPTIMISING OPERATING COSTS (CASH COST): In the volatile environment in which ENCE does business, given the inherent characteristics of the business and the global macroeconomic situation, the company has made it a priority to improve the efficiency of its operations by optimising its production costs. In this regard, the upward variation of costs associated with raw materials such as wood and biomass, chemicals and fuel, gas, industrial supplies and spare parts, logistics and transport, strikes, the cost associated with sector and environmental regulations.

VOLATILITY OF THE ENERGY POOL PRICE (DAILY/INTRADAY). The power plants' economic performance may be conditioned by the downward variation of the pool price, both in the long-term and in the daily and intraday market, with a significant impact on cash flow. As a consequence of these modifications, deviations in generation costs and low efficiencies, constitute a risk that may condition the operation of the plants from the perspective of expected profitability, including the viability of the operation of the plants themselves. To mitigate this risk, the company has developed a strategy to manage its plants efficiently in order to optimise production.

CHANGES IN THE REGULATION OF THE ENERGY MARKET: Ence is working to optimise the production levels necessary to achieve the initially estimated profitability despite possible changes in the regulation of the energy market. This objective may be affected by the risk of factory obsolescence.

WATER RESTRICTIONS in the vicinity of our operations that have led to total or partial interruption in the supply to our production centres and, therefore, an impact on the company's income.

RISK OF OBSOLESCENCE OF BIOFACTORIES: Without an investment and maintenance plan to address the obsolescence of the production facilities, the achievement of the objectives of the different operations centres cannot be guaranteed due to the deterioration of the pulp and energy production facilities, machinery and equipment in the plants.

RISK OF UNAVAILABILITY OF CRITICAL FACILITIES AT MAGNON'S INDEPENDENT POWER PLANTS: Failure to implement the Magnon Industrial Plan in a timely manner, or to carry out adequate maintenance of critical plant facilities and equipment (generators, boilers, turbines, etc.) necessary for the operation of the plants, could affect the achievement of the objectives due to the deterioration of facilities, machinery and energy production equipment.

E.6 Explain the response and oversight plans for the company's main risks, including tax risks, as well as the procedures followed by the company in order to ensure that the Board of Directors responds to any new challenges that arise

Details can be found in the 2023 Non-Financial Information Report

VOLATILITY OF PULP PRICE: reducing production cost levels as the main measure. The Global Risk Committee periodically monitors developments in the pulp market and is in permanent contact with financial institutions to arrange, where appropriate, relevant financial hedges and/or derivative products.

PRICE OF THE ENERGY POOL: Cost deviations or possible inefficiencies constitute a risk that could affect the operation of the plants. A strategy has been developed to manage its plants efficiently in order to optimise production.

CHANGES IN ENERGY MARKET REGULATION: Ence is working to optimise the production levels necessary to achieve the initially estimated profitability despite possible regulatory changes.

MARKET SHARE LOSS, WITH RESPECT TO CONTRACTING DEMAND FOR PRODUCTS AND POSSIBLE CHANGES IN MARKET PREFERENCES: Strengthening its presence in the European market and continuously monitoring trends in the pulp market. Design of a growth strategy in high value-added niche markets.

FISCAL: The Audit Committee periodically monitors the fiscal risks that the company faces in order to help the Board establish a fiscal risk management and control policy. Ence's internal and external resources have set internal guidelines for fiscal compliance and low risk assumption.

POSSIBLE NON-COMPLIANCE WITH REGULATIONS: Ence defines and implements the investments and projects necessary to adapt its facilities to the regulations and actively participates in the decision-making forums on the BREF regulations. The Risk Management System for Crime Prevention is certified by AENOR (UNE 19601:2017).

EXCHANGE RATE AND INTEREST RATE VOLATILITY: Ence monitors the foreign exchange market and the evolution of the US dollar and the euro, and links the most important financing operations to fixed interest rates.

LIQUIDITY AND CAPITAL: Exposure to adverse debt or equity market situations could hinder or impede the ability to cover the financial needs required for the proper development of the Group's activities and its 2024-2028 Strategic Framework. This is one of the risks that the Ence Group monitors most closely and for the mitigation of which a series of key financial targets have been established based on different short, medium and long-term scenarios.

COMMERCIAL CREDIT IN PULP CUSTOMERS: There is an internal Commercial Credit Risk Committee in which the evolution of customers is analysed. Ence has contracted insurance that assigns credit limits based on credit quality and provides coverage for almost all pulp sales.

SOCIAL AND PERSONNEL-RELATED ISSUES AT ENCE WITH THE POTENTIAL FOR HARM TO WORKERS' HEALTH AND ACCIDENTS AT WORK: In health and safety, Ence develops occupational risk prevention plans within the framework of integrated management systems in accordance with

the ISO 45001 standard, including training and awareness-raising activities and the development of pioneering tools in the industry, such as Particularly Hazardous Work (PHW) and Preventive Safety Observations (PSO). Internal and external audits are also carried out to verify compliance with applicable legislation.

LOSS OF COMPETITIVENESS DUE TO INCREASED OPERATING COSTS: identifying the most competitive goods and services, improving our negotiation skills and broadening the pool of suppliers.

INCREASE IN THE COST OF RAW MATERIALS: The response adopted by Ence is to reduce the risk of price variation through periodic monitoring of the evolution of the main suppliers by the respective purchasing areas (industrial, forestry or biomass), with the aim of acting accordingly (searching for alternative products, identifying the most competitive goods and services, improving our bargaining power and expanding the pool of suppliers), in the event of significant incidents.

DEFICIT IN THE SUPPLY OF WOOD AND BIOMASS: Ence's presence in the standing timber market has increased, and internal and external contingency plans have been defined. With regard to biomass, different mitigation measures have been put in place to guarantee the annual supply.

For the risks of **OBSOLESCENCE OF OPERATIONS** and **UNAVAILABILITY OF CRITICAL FACILITIES AT MAGNON POWER PLANTS** the measures are: reducing the risk associated with the age of machinery, equipment and facilities by: reviewing civil works at facilities, replacing obsolete or disused equipment, implementing investment plans and enabling maintenance programmes.

WATER RESTRICTIONS IN THE OPERATIONAL ENVIRONMENT: Ence sets ambitious targets for reducing water consumption at its facilities, which are reviewed monthly by the Management Committee, and periodically by the Board, and has achieving significant reductions in recent years.

THIRD PARTY STRIKES: elaboration of communication policies with suppliers to anticipate these situations and seek alternatives in good time.

IMPACT OF THE COMPANY'S ACTIVITIES ON THE ENVIRONMENT: Ence's integrated management system ensures continuous improvement of environmental performance, which together with investments in pollution prevention and control facilities, mitigates the risk of negative environmental impacts. Ence defines key improvement targets (KITs) at its industrial facilities for priority environmental vectors. In forestry, it applies and promotes sustainable forest management systems in its supply chain in accordance with the most recognised international standards.

F INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS RELATING TO THE PROCESS OF PUBLISHING FINANCIAL INFORMATION (ICFR)

Describe the mechanisms forming your company's Internal Control over Financial Reporting (ICFR) system.

F.1 The entity's control environment

Report on at least the following, describing their principal features:

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

Article 14.1 of Ence's Board of Directors Regulations sets out the creation of an Audit Committee by the Board of Directors, the powers and functioning of which are listed in Article 16 of the Company's aforementioned Board of Directors Regulations.

The Audit Committee assumes the following duties in relation to the internal information and control systems:

1. Propose to the Board of Directors, for submission to the Annual General Meeting of Shareholders, the appointment, contracting conditions, scope of the professional mandate, re-election, and, as the case may be, the termination or non-renewal of account auditors or auditing companies.
2. Supervising the Company's internal audit based on the annual internal audit plan presented by the Head of this area every financial year, the information supplied about incidents that have arisen during the period, and activities that the Head of the internal audit submits for the Committee's consideration at the end of every financial year.
3. Ensuring the independence and efficiency of the internal audit's functions, proposing the selection, appointment, re-election, and removal of the Head of this area, proposing a budget, examining the information that this system periodically generates about its activities, checking that senior management have taken note of the reports' conclusions and recommendations, and approving its guidance and work plans, ensuring that its activity is concerned mainly with the risks that are relevant to the Company.
4. Monitoring and assessing the preparation process and the integrity of financial and non-financial information.
5. Reviewing the Company's accounts, monitoring compliance with legal requirements, the correct application of generally accepted accounting principles, and the scope of the consolidation perimeter, as well as reporting on proposals to modify the accounting principles and criteria suggested by management.
6. Supervising and assessing the effectiveness of the internal control and financial and non-financial risk management systems relating to the company and, where appropriate, the group, including operational, technological, legal, social, environmental, climate, political, reputational, and corruption-related risks; and discussing with the auditors or audit firms any significant weaknesses in the internal control system detected in the course of the audit.
7. Monitoring in general that the established internal control policies and systems are effectively implemented in practice.

8. Providing advance notice about the Board's adoption of the corresponding agreement regarding the prospectus and the periodic financial information that the Company must provide to markets and supervisory bodies.

9. Establishing and supervising a mechanism which enables employees to communicate confidentially, and if deemed appropriate, anonymously, any potentially important irregularities, especially financial and accounting issues, that are of concern within the company.

Ence's Corporate Finance Department is responsible for defining the Internal Control Over Financial Reporting (ICFR) System. In this context, it establishes and communicates the policies, directives and procedures related with the preparation of this information to ensure the quality and reliability of the financial information generated.

In addition, the Internal Audit Department's functions include assuring the Audit Committee that the significant business risks are identified and managed effectively, and that adequate supervision of the internal control system of financial information is in place.

F.1.2. Indicate whether the following exist, especially in relation to the drawing up of financial information:

- Departments and/or mechanisms in charge of: (i) the design and review of the organisational structure; (ii) clear definition of lines of responsibility and authority with an appropriate distribution of tasks and functions; and (iii) ensuring that adequate procedures exist for their proper dissemination throughout the entity.

The design and review of the organisational structure, as well as the lines of responsibility and authority, are the responsibility of the Appointments and Remuneration Committee and the Board of Directors. This Committee, via the Chief Executive Officer, determines the distribution of tasks and functions within senior management, guaranteeing an adequate communication system between the different areas and an appropriate separation of functions.

- Code of conduct, the body approving this, degree of dissemination and instruction, principles and values covered (stating whether there is specific mention of record keeping and preparation of financial information), body charged with analysing breaches and proposing corrective actions and sanctions.

Ence has a Code of Conduct, approved by the Board of Directors and which applies to all Company employees, Directors and administrative staff, third parties who act on behalf of Ence (contract workers or sub-contracted companies, agents and intermediaries, etc.) and any other person that is included within the scope of the Code of Conduct, by decision of the President of Ence's Board of Directors or Managing Director, in view of the circumstances in each individual case.

The Code contains a statement of the group's ethical values, as well as the minimal behavioural standards that should be observed by all people within its scope of application in the way that they behave in the course of their professional activity. Said Code of Conduct includes a specific paragraph that considers the basic behavioural principles in relation to transparency and integrity of financial information: reliability of financial information and control

of operating records, preparation of financial and accountancy reports, market information, contracting with privileged information, and dealing with classified and confidential information.

Ence also has a disciplinary procedure approved by the Board of Directors, as a means through which a violation of the group's procedures and implemented internal regulations will be penalised.

Throughout 2023, the Human Resources Department continued to run training sessions on Criminal Enforcement, targeted to all of the Group's employees.

The Ethics and Compliance Department has also been created, responsible for defining and updating Ence's criminal risk map, which identifies the company's activities in which criminal offences that must be prevented may be committed, and for promoting awareness, application, dissemination and compliance with Ence's Code of Conduct, promoting training and dissemination activities.

Likewise, Ence has an Internal Conduct Regulation for the Stock Market, (hereafter the "ICR"), approved by the company's Board of Directors, which adapts to the new regime established in Regulation (EU) No. 596/2014 of 16 April 2014 on market abuse, updated in 2020. Said ICR implements aspects such as: regulations for conduct in relation with the execution of operations on stocks and financial instruments issued by the group, the processing of privileged information, the communication of relevant information, transactions on treasury shares, and the prohibition of price manipulation, among others.

- Whistleblower channel allowing notifications to the audit committee of irregularities of a financial and accounting nature, in addition to potential breaches of the code of conduct and unlawful activities undertaken in the organisation, indicating whether this channel is confidential and whether anonymous notifications can be made, protecting the rights of the whistleblower and the person reported.

In 2023, Ence adapted its procedures related with the management of the whistle-blowing channel to the requirements of Law 2/2023 on the protection of people who report regulatory infringements and the fight against corruption, implementing a Policy and Procedure for managing this channel.

Ence, by means of this Policy, undertakes to adopt the necessary measures to prevent any type of retaliation as a means of safeguarding and protecting persons who report in good faith information about acts or omissions that contravene the aforementioned law, Ence's Code of Conduct, Ence's Criminal Compliance Policy, the Anti-Corruption and Fraud Policy, Ence's Antitrust Compliance Programme or Ence's internal regulations and procedures.

In this regard, all personnel, managers and directors are obligated to report any irregularity or alleged irregularity of a financial and/or accounting nature, non-financial irregularity, facts or conduct contrary to the Law, the Ence Code of Conduct, the Ence Criminal Compliance Policy, the Anti-Corruption and Fraud Policy, the Ence Antitrust Compliance Programme or Ence's internal regulations and procedures. This duty, which serves to protect the public interest when it is threatened, is a key element in our rule of law.

Through the aforementioned internal communication channel, financial and/or accounting, non-financial, events or acts contrary to the Law, the Code of Conduct, and Ence's procedures and internal regulations can be reported. This channel is a tool that guarantees the confidentiality of anyone who reports directly to the company's Governing Bodies any of the irregularities described above, whether they have identified themselves when making the report or have done so anonymously.

The Board of Directors appointed the Head of Ethics and Compliance as Head of the Internal Reporting System in 2023. This directive will carry out the management of the internal information channel. Carrying out its functions independently and autonomously from the rest of the bodies of the entity or body. The person in charge of the internal information channel will diligently process the communications received, ensuring that all communications received are dealt with and handled in an appropriate, timely and complete manner. In addition, the Audit Committee is the body responsible for adopting measures to improve compliance and for settling any doubts regarding interpretation. Likewise, it controls and monitors that all internal communications received are dealt with and managed in an adequate, complete, independent, and confidential manner.

In accordance with the requirements of the aforementioned law, these regulations were also published on Ence's website and corporate intranet, and communicated to the entire organisation. In addition, the IT tool that supports the aforementioned internal information channel was implemented, replacing the complaints channel, communicating it to the entire organisation and providing access to it both via the corporate Intranet and the Ence website.

The basic principles that make up the operation of this control are: (i) guaranteeing confidentiality for those who use the internal reporting channel, whether they have identified themselves when making the complaint or have done so anonymously; (ii) guaranteeing proper management of the communications made, which implies that they are handled with the utmost confidentiality and in accordance with the procedure in effect; (iii) ensuring, for all communications received, a timely, independent, and confidential analysis; (iv) ensuring, for all communications or queries received, a timely, independent, and confidential analysis within a reasonable period of time, which will not exceed three months from the acknowledgement of its receipt; (v) the commitment to carry out disciplinary, sanctioning, and legal proceedings, as appropriate, until their resolution, with the aim of proportionately correcting conduct contrary to the law or Ence's internal regulations.

Every quarter, the Ethics and Compliance Committee prepares a report on the internal communications received, which are categorised by subject (harassment, conduct, ethics, criminal, etc.), their gravity (minor, serious, very serious, or inadmissible), and actions taken and their resolution. The report is submitted to the Audit Committee.

- Training and periodic refresher programmes for personnel involved in the preparation and revision of financial information, as well as in the assessment of the ICFR system, covering at least accounting standards, auditing, internal control and risk management.

As part of Ence's management systems, the Head of the Human Resources Department has established a training plan that screens for the training needs of staff, including those who participate in the process of preparing and issuing financial and non-financial, risk, and internal control information. The annual performance evaluation fosters personal development and the uncovering of training needs.

F.2 Assessment of risks in financial reporting

Report on at least the following:

F.2.1. The main characteristics of the risk identification process, including risks of error and fraud, as regards:

- Whether the process exists and is documented.

Ence's Risk Management and Control System is defined and governed in the Risk Management and Control Policy and the Risk Management Procedure, which have been approved by the company's Board of Directors.

The RMCS encompasses ENCE and the companies within its group, as defined under law, as well as all businesses (cellulose, energy, forestry) and activities performed within its corporate and support spheres.

The RMCS contains all the risks identified for the different objectives established by the organisation, distinguishing between strategic, operational, financial reporting, and compliance objectives and classifying them according to their origin (internal or external).

Furthermore, the RMCS establishes the following types of risks according to their nature: environment risks, risks relating to information for decision-making, financial risks, organisational risks, operational risks, fiscal risks, reputational risks, and risks arising from climate change.

Risks of fraudulent financial reporting were considered a relevant factor when establishing the Internal Control over Financial Reporting (ICFR) System, its relevant documentation and procedures, and the implementation of a sufficient separation of duties within the financial department.

Ence's Board of Directors undertakes the review and update of internal regulations in this field, which constitutes a permanent commitment to monitoring and sanctioning fraudulent acts and conduct or conduct conducive to corruption in all its manifestations, carried out by the individuals included within its scope of application.

- Whether the process covers all the objectives of financial reporting, (existence and occurrence; completeness; valuation; presentation; disclosure and comparability; and rights and obligations), whether it is updated and if so how often.

The process is based on the integrated management of different business processes aimed at strategic objectives, including risks related to financial reporting. The latter process covers the full range of financial reporting objectives

(existence and occurrence, completeness, valuation, presentation, disclosure and comparability, and rights and obligations).

The Risk Record and the Risk Map are the formats used for the periodic report on the main risks identified and assessed in the different business, corporate, and ancillary units in accordance with the requirements established in the Risk Management and Control Policy and Procedure.

The Risk Map is reviewed periodically, at least twice a year, and its results are presented to the Management Committee, the Audit Committee, and the Board of Directors.

- The existence of a process for identifying the scope of consolidation, taking into account, among other factors, the possible existence of complex corporate structures or special purpose vehicles.

On a monthly basis, the Head of the Finance Department determines Ence's scope of consolidation by using the Consolidation Procedure. This procedure establishes the steps to follow in ensuring that the scope of consolidation is properly updated, thereby avoiding any omissions in the consolidated financial reports.

- Whether the process takes into account the effects of other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements.

Ence's Risk Map reflects, among other aspects, financial reporting risks as well as other types of risks classified as: environmental risks, operational risks, reputational risks, legal and compliance risks, organisational risks and information risks for decision-making, and risks derived from climate change, considering the possible economic impact that their materialisation could entail across different scenarios and time horizons.

Furthermore, Ence has established a Risk Management System for the prevention and detection of offences. It includes many measures and controls designed to prevent or reduce as much as possible the risk of a criminal act being committed within our organisation. It is also aimed at ensuring that the professional activities of the company's employees and managers are at all times legal. The aforementioned Criminal Compliance Management System was certified by Aenor in 2023, pursuant to UNE 19601:2017.

In order to be able to carry out a complete supervision and control of all the Company's activities, a criminal risk map has been drawn up identifying all the activities in which criminal actions could be committed and which, therefore, could lead to Ence being held criminally liable.

In addition to covering offences that could result in criminal liability for Ence, other offences have been included in the criminal risk map. While these do not imply criminal liability for the legal person, committing them could lead to legal consequences for the Company as outlined in Article 129 of the Criminal Code.

In 2023, Ence developed and implemented internal policies and procedures to reduce its exposure to specific offences.

- The governing body within the company that supervises the process.

Said system is coordinated and supervised by the Internal Audit Department, and ultimately, by the Board of Directors Audit Committee.

F.3 Control activities

Report on whether the company has at least the following, describing their main characteristics:

- F.3.1. Review and authorisation procedures for financial information and a description of the ICFR, to be disclosed to the securities markets, indicating those responsible, as well as documentation describing the flow of activity and controls (including those relating to the risk of fraud) of the various types of transactions which may materially affect the financial statements, including accounting closing procedures and the specific review of significant judgements, estimates, valuations and projections.

Ence has a collection of manual and automatic verification checks for financial reporting in order to prevent fraudulent actions, ensure the accuracy of the financial reports, and compliance with relevant legislation and generally accepted accounting principles. There is also an account closing process in which financial information is verified and approved prior to publication.

The annual accounts of the individual companies and the consolidated group, along with the quarterly and half-yearly financial reports, which are released to the market, are reviewed firstly by the Head of the Finance Department, then inspected by the Audit Committee before being prepared by the Board of Directors.

Ence also applies procedures, agreed upon with the external auditor, which review interim financial statements.

In accordance with the recommendations of the CNMV, Ence has established and documented the critical checks that affect the preparation of the financial reports.

Such documentation consists of instructions, relevant risk matrices and controls which contain information on the supervisory activity, the risk to be reduced, the frequency of checks, and the person in charge, among other aspects. It also defines the critical checks and fraud controls to be performed.

Finally, a maintenance system for these processes has been defined to ensure they are kept up-to-date.

- F.3.2. Internal IT control policies and procedures (access security, control of changes, system operation, operational continuity and segregation of duties, among others) which support significant processes within the company relating to the preparation and publication of financial information.

Ence has an Information System Security Policy that regulates access, changes made, system operation, operational continuity, and separation of functions across the entire applications map, including the infrastructure, with a special focus on the financial

reporting systems. The security rules described therein, and the prevention and detection controls set out in the systems, protect the financial information.

F.3.3. Internal control policies and procedures for overseeing the management of activities subcontracted to third parties, as well as of those aspects of assessment, calculation or valuation entrusted to independent experts, which may materially affect financial statements.

As part of the internal authorisation rules, all activities outsourced to third parties require joint internal levels of approval depending on the amount involved, including, where applicable, the Chairperson and CEO, and are supervised by the legal department, if necessary.

As part of Accounts Auditing Act 22/2015 of 20 July, external auditors are required to demonstrate their independence every year. Furthermore, where they offer their services as independent experts, the offer must be submitted to the Audit Committee in order to ensure that the transparency of the financial statements is unaffected.

F.4 Information and communication

Report on whether the company has at least the following, describing their main characteristics:

F.4.1. A specifically assigned function for defining and updating accounting policies (accounting policy area or department) and resolving doubts or conflicts arising from their interpretation, maintaining a free flow of information to those responsible for operations in the organisation, as well as an up-to-date accounting policy manual distributed to the business units through which the company operates.

The Administration and Accounting Policies Department is in charge of defining the accounting policies applicable to Ence and keeping them up-to-date. It is also in charge of communicating those policies to all persons concerned and resolving all questions or enquiries in relation to them whether from subsidiaries or any business unit. Ence also has an Accounting Policies Manual that has been circulated and is available through the Ence Intranet to all staff who actively participate in the preparation of the financial statements.

F.4.2. Mechanisms for capturing and preparing financial information in standardised formats for application and use by all units of the entity or group, and support its main financial statements and notes, as well as disclosures concerning ICFR.

Ence's accounting procedure has established mechanisms for the standardised capturing and preparation of financial information, general rules, data entry rules, manual entry approval, estimates and opinions (including relevant valuations and projections), and a communication system for financial reporting to senior management.

The preparation of the consolidated financial statements is carried out centrally on the basis of the financial statements provided by each subsidiary of the Group in the established formats. The consolidation process has established checks to ensure the

accuracy of the consolidated financial statements, in accordance with the Consolidation Procedure and the Inter-company Transactions Procedure.

F.5 Supervision of the functioning of the system

Report on at least the following, describing their principal features:

F.5.1. The activities of the audit committee in overseeing ICFR as well as whether there is an internal audit function one of the responsibilities of which is to provide support to the committee in its task of supervising the internal control system, including ICFR. Additionally, describe the scope of ICFR assessment made during the year and the procedure through which the person responsible for performing the assessment communicates its results, whether the company has an action plan detailing possible corrective measures, and whether their impact on financial reporting has been considered.

Ence has a fully independent internal audit department whose functions and responsibilities in relation to financial reporting supervision is governed by the Internal Audit Regulation approved by the Audit Committee.

In 2023, the Internal Audit Department informed the Audit Committee every quarter on the progress of the audit plan, the conclusions reached and the results of its activities. It also provided the Committee with its recommendations, highlighting in particular those aspects relating to financial reporting and the SCIIF, as well as the progress of the action plans implemented to reduce any internal control failings.

As part of its 2023 Audit Plan, approved by the Audit Committee, supervisory activities were carried out on the internal control over financial reporting. In particular, Ence has a plan in which all the processes relevant to the SCIIF are reviewed in a 3-year cycle. Failings detected in audits are notified to the relevant departments, along with the corresponding corrective action.

As part of the assessment of ICFR processes, the following are checked:

- the updating of information and documents where processes have undergone changes.
- the absence of any significant failings in the internal control over financial reporting; if there are any, corrective measures are carried out as part of an action plan and the possible effect of such failings are assessed.

F.5.2. Whether there is a discussion procedure whereby the auditor (as defined in the Spanish Technical Audit Standards), the internal auditor and other experts can report to senior management and the audit committee or directors of the company any significant weaknesses in internal control identified during the review of the annual financial statements or any others they have been assigned. Additionally, state whether an action plan is available for correcting or mitigating any weaknesses detected.

In accordance with the Ence Board of Directors Regulations, the Audit Committee is responsible for the preparation, submission, and monitoring of regulated financial reports. It must also ensure the effectiveness of the Company's internal control and the

internal control and risk management systems, including the Internal Control over Financial Reporting Systems.

The Audit Committee meets at least once per quarter in order to obtain and analyse the information necessary to comply with the duties assigned by the company's Board of Directors.

There is an annual schedule of content that must be addressed during the Audit Committee's meetings; the meetings include sessions that the accounts auditor, tax experts, or other specialists attend when deemed necessary. The following relevant aspects should be highlighted:

- As mentioned in the previous section, the Audit Committee receives quarterly reports on the progress of implemented action plans that aim to correct detected internal control failings.
- The accounts auditor has access to the Audit Committee through invitations to the Audit Committee's meetings that review the quarterly financial statements; at these meetings, the external auditor presents their conclusions on the degree of progress of the annual audit process.
- Likewise, the Internal Audit Department has access to the Audit Committee as it is invited to the latter's meetings.

The half-yearly report released to the markets has been reviewed by the accounts auditor, through the agreed procedures in the areas that the Company's management considers critical and of risk.

F.6 Other relevant information

Not applicable.

F.7 External auditor's report

Report:

F.7.1. Whether the ICFR information sent to the markets has been subjected to review by the external auditor, in which case the entity should include the corresponding report as an attachment. If not, reasons why should be given.

The ICFR information provided to markets for the 2023 financial year has been submitted to the external auditor for review. The external auditor's report on the information is enclosed as an annex.

G DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Specify the company's degree of compliance with recommendations of the Good Governance Code for listed companies.

In the event that a recommendation is not followed or only partially followed, a detailed explanation of the reasons must be included so that shareholders, investors and the market in general have enough information to assess the company's conduct. General explanations are not acceptable.

- 1. That the articles of incorporation of listed companies should not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of its shares on the market.**

Complies Explain

- 2. That when the listed company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them it should make accurate public disclosures on:**

- a) The respective areas of activity and possible business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries.**
- b) The mechanisms in place to resolve any conflicts of interest that may arise.**

Complies Complies partially Explain Not applicable

- 3. That, during the ordinary General Shareholders' Meeting, as a complement to the distribution of the written annual corporate governance report, the chairman of the Board of Directors should inform shareholders orally, in sufficient detail, of the most significant aspects of the company's corporate governance, and in particular:**

- a) Changes that have occurred since the last General Shareholders' Meeting.**
- b) Specific reasons why the company has not followed one or more of the recommendations of the Code of Corporate Governance and the alternative rules applied, if any.**

Complies Complies partially Explain

- 4. That the company should define and promote a policy on communication and contact with shareholders and institutional investors, within the framework of their involvement in the company, and with proxy advisors that complies in all aspects with rules against market abuse and gives equal treatment to similarly situated shareholders. And that the company should publish this policy on its website, including information on how it has been put into practice and identifying the contact persons or those responsible for implementing it.**

And that, without prejudice to the legal obligations regarding dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-

financial and corporate information through such channels as it may consider appropriate (communication media, social networks or other channels) that helps to maximise the dissemination and quality of information available to the market, investors and other stakeholders.

Complies X Complies partially Explain

5. That the Board of Directors should not submit to the General Shareholders' Meeting any proposal for delegation of powers allowing the issue of shares or convertible securities with the exclusion of preemptive rights in an amount exceeding 20% of the capital at the time of delegation.

And that whenever the Board of Directors approves any issue of shares or convertible securities with the exclusion of preemptive rights, the company should immediately publish the reports referred to by company law on its website.

Complies X Complies partially Explain

6. That listed companies that prepare the reports listed below, whether under a legal obligation or voluntarily, should publish them on their website with sufficient time before the General Shareholders' Meeting, even if their publication is not mandatory:

a) Report on the auditor's independence.

b) Reports on the workings of the audit and nomination and remuneration committees.

c) Report by the audit committee on related party transactions.

Complies X Complies partially Explain

7. That the company should transmit in real time, through its website, the proceedings of the General Shareholders' Meetings.

And that the company should have mechanisms in place allowing the delegation and casting of votes by means of data transmission and even, in the case of large-caps and to the extent that it is proportionate, attendance and active participation in the General Meeting to be conducted by such remote means.

Complies X Complies partially Explain

8. That the audit committee should ensure that the financial statements submitted to the General Shareholders' Meeting are prepared in accordance with accounting regulations. And that in cases in which the auditor has included a qualification or reservation in its audit report, the chairman of the audit committee should clearly explain to the general meeting the opinion of the audit committee on its content and scope, making a summary of this opinion available to shareholders at the time when the meeting is called, alongside the other Board proposals and reports.

Complies X Complies partially Explain

9. That the company should permanently publish on its website the requirements and procedures for certification of share ownership, the right of attendance at the

General Shareholders' Meetings, and the exercise of the right to vote or to issue a proxy.

And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

Complies Complies partially Explain

10. That when a duly authenticated shareholder has exercised his or her right to complete the agenda or to make new proposals for resolutions in advance of the General Shareholders' Meeting, the company:

a) Should immediately distribute such complementary points and new proposals for resolutions.

b) Should publish the attendance, proxy and remote voting card specimen with the necessary changes such that the new agenda items and alternative proposals can be voted on in the same terms as those proposed by the Board of Directors.

c) Should submit all these points or alternative proposals to a vote and apply the same voting rules to them as to those formulated by the Board of Directors including, in particular, assumptions or default positions regarding votes for or against.

d) That after the General Shareholders' Meeting, a breakdown of the voting on said additions or alternative proposals be communicated.

Complies Complies partially Explain Not applicable

It responds to the fact that this situation has not arisen during the 2023 financial year

11. That if the company intends to pay premiums for attending the General Shareholders' Meeting, it should establish in advance a general policy on such premiums and this policy should be stable.

Complies Complies partially Explain Not applicable

It responds to the fact that this situation has not arisen during the 2023 financial year

12. That the Board of Directors should perform its functions with a unity of purpose and independence of criterion, treating all similarly situated shareholders equally and being guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, promoting its continuity and maximising the economic value of the business.

And that in pursuit of the company's interest, in addition to complying with applicable law and rules and conducting itself on the basis of good faith, ethics and a respect for commonly accepted best practices, it should seek to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders that may be affected, as well as the impact of its corporate activities on the communities in which it operates and on the environment.

Complies Complies partially Explain

13. That the Board of Directors should be of an appropriate size to perform its duties effectively and in a collegial manner, which makes it advisable for it to have between five and fifteen members.

Complies Explain

14. That the Board of Directors should approve a policy aimed at favouring an appropriate composition of the Board and that:

- a) Is concrete and verifiable;
- b) Ensures that proposals for appointment or re-election are based upon a prior analysis of the skills required by the Board of Directors; and
- c) Favours diversity of knowledge, experience, age and gender. For these purposes, it is considered that the measures that encourage the company to have a significant number of female senior executives favour gender diversity.

That the result of the prior analysis of the skills required by the Board of Directors be contained in the supporting report from the nomination committee published upon calling the General Shareholders' Meeting to which the ratification, appointment or re-election of each director is submitted.

The nomination committee will annually verify compliance with this policy and explain its findings in the annual corporate governance report.

Complies Complies partially Explain

15. That proprietary and independent directors should constitute a substantial majority of the Board of Directors and that the number of executive directors be kept to a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive directors..

And that the number of female directors should represent at least 40% of the members of the Board of Directors before the end of 2022 and thereafter, and no less 30% prior to that date.

Complies Complies partially Explain

Ence's commitment to the goal of gender diversity has materialised in recent years, with women's representation on the board increasing from 7% in 2017 to 38.46% in 2023.

To the extent that the renewal of the composition of the board allows it, the Company will give effect to its commitment by selecting independent female directors until it reaches the target of 40%, which it is very close to achieving.

16. That the number of proprietary directors as a percentage of the total number of non-executive directors not be greater than the proportion of the company's share capital represented by those directors and the rest of the capital.

This criterion may be relaxed:

- a) In large-cap companies where very few shareholdings are legally considered significant.
- b) In the case of companies where a plurality of shareholders is represented on the Board of Directors without ties among them.

Complies Explain

- 17. That the number of independent directors should represent at least half of the total number of directors.**

That, however, when the company does not have a high level of market capitalisation or in the event that it is a large-cap company with one shareholder or a group of shareholders acting in concert who together control more than 30% of the company's share capital, the number of independent directors should represent at least one third of the total number of directors.

Complies Explain

- 18. That companies should publish the following information on its directors on their website, and keep it up to date:**

- a) Professional profile and biography.
- b) Any other Boards to which the directors belong, regardless of whether or not the companies are listed, as well as any other remunerated activities engaged in, regardless of type.
- c) Category of directorship, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.
- d) Date of their first appointment as a director of the company's Board of Directors, and any subsequent re-elections.
- e) Company shares and share options that they own.

Complies Complies partially Explain

- 19. That the annual corporate governance report, after verification by the nomination committee, should explain the reasons for the appointment of any proprietary directors at the proposal of shareholders whose holding is less than 3%. It should also explain, if applicable, why formal requests from shareholders for presence on the Board were not honoured, when their shareholding was equal to or exceeded that of other shareholders whose proposal for proprietary directors was honoured.**

Complies Complies partially Explain Not applicable

It responds to the fact that this situation has not arisen during the 2023 financial year

- 20. That proprietary directors representing significant shareholders should resign from the Board when the shareholder they represent disposes of its entire shareholding. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of proprietary directors.**

Complies Complies partially Explain Not applicable

It responds to the fact that this situation has not arisen during the 2023 financial year

- 21. That the Board of Directors should not propose the dismissal of any independent director before the completion of the director's term provided for in the articles of incorporation unless the Board of Directors finds just cause and a prior report has**

been prepared by the nomination committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties inherent to his or her post as a director, fails to complete the tasks inherent to his or her post, or is affected by any of the circumstances which would cause the loss of independent status in accordance with applicable law.

The dismissal of independent directors may also be proposed as a result of a public takeover bid, merger or other similar corporate transaction entailing a change in the shareholder structure of the company, provided that such changes in the structure of the Board are the result of application of the proportionate representation criterion provided in Recommendation 16.

Complies Explain

22. That companies should establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which affect them, whether or not related to their actions in the company itself, and which may harm the company's standing and reputation, and in particular requiring them to inform the Board of any criminal proceedings in which they appear as suspects or defendants, as well as of how the legal proceedings subsequently unfold.

And that, if the Board is informed or becomes aware in any other manner of any of the circumstances mentioned above, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the nomination and remuneration committee, whether or not any measure must be adopted, such as the opening of an internal investigation, asking the director to resign or proposing that he or she be dismissed. And that these events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be noted in the minutes. This without prejudice to the information that the company must disseminate, if appropriate, at the time when the corresponding measures are implemented.

Complies Complies partially Explain

23. That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the Board of Directors.

Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

This recommendation also applies to the secretary of the Board of Directors, even if he or she is not a director.

Complies Complies partially Explain Not applicable

It responds to the fact that this situation has not arisen during the 2023 financial year

24. That whenever, due to resignation or resolution of the General Shareholders' Meeting, a director leaves before the completion of his or her term of office, the director should explain the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for cessation, in a letter addressed to all members of the Board of Directors.

And that, without prejudice to all this being reported in the annual corporate governance report, insofar as it is relevant to investors, the company must publish the cessation as quickly as possible, adequately referring to the reasons or circumstances adduced by the director.

Complies Complies partially Explain Not applicable

It responds to the fact that this situation has not arisen during the 2023 financial year

25. That the nomination committee should make sure that non-executive directors have sufficient time available in order to properly perform their duties.

And that the Board regulations establish the maximum number of company Boards on which directors may sit.

Complies Complies partially Explain

26. That the Board of Directors meet frequently enough to be able to effectively perform its duties, and at least eight times per year, following a schedule of dates and agendas established at the beginning of the year and allowing each director individually to propose other items that do not originally appear on the agenda.

Complies Complies partially Explain

27. That director absences occur only when absolutely necessary and be quantified in the annual corporate governance report. And when absences do occur, that the director appoint a proxy with instructions.

Complies Complies partially Explain

28. That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, such concerns should be included in the minutes at the request of the director expressing them.

Complies Complies partially Explain Not applicable

It responds to the fact that this situation has not arisen during the 2023 financial year

29. That the company should establish adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.

Complies Complies partially Explain

30. That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances make this advisable.

Complies Explain Not applicable

- 31. That the agenda for meetings should clearly indicate those matters on which the Board of Directors is to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.**

When, in exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall be duly recorded in the minutes.

Complies Complies partially Explain

- 32. That directors be periodically informed of changes in shareholding and of the opinions of significant shareholders, investors and rating agencies of the company and its group.**

Complies Complies partially Explain

- 33. That the chairman, as the person responsible for the efficient workings of the Board of Directors, in addition to carrying out the duties assigned by law and the articles of incorporation, should prepare and submit to the Board of Directors a schedule of dates and matters to be considered; organise and coordinate the periodic evaluation of the Board as well as, if applicable, the chief executive of the company, should be responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances make this advisable.**

Complies Complies partially Explain

- 34. That when there is a coordinating director, the articles of incorporation or Board regulations should confer upon him or her the following powers in addition to those conferred by law: to chair the Board of Directors in the absence of the chairman and deputy chairmen, should there be any; to reflect the concerns of non-executive directors; to liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and to coordinate a succession plan for the chairman.**

Complies Complies partially Explain Not applicable

- 35. That the secretary of the Board of Directors should pay special attention to ensure that the activities and decisions of the Board of Directors take into account such recommendations regarding good governance contained in this Good Governance Code as may be applicable to the company.**

Complies Explain

- 36. That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:**

- a) The quality and efficiency of the Board of Directors' work.**
- b) The workings and composition of its committees.**
- c) Diversity in the composition and skills of the Board of Directors.**

d) Performance of the chairman of the Board of Directors and of the chief executive officer of the company.

e) Performance and input of each director, paying special attention to those in charge of the various Board committees.

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the nomination committee.

Every three years, the Board of Directors will rely for its evaluation upon the assistance of an external advisor, whose independence shall be verified by the nomination committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group must be specified in the annual corporate governance report.

The process and the areas evaluated must be described in the annual corporate governance report.

Complies Complies partially Explain

37. That if there is an executive committee, it must contain at least two non-executive directors, at least one of whom must be independent, and its secretary must be the secretary of the Board.

Complies Complies partially Explain Not applicable

38. That the Board of Directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.

Complies Complies partially Explain Not applicable

39. That the members of the audit committee, in particular its chairman, be appointed in consideration of their knowledge and experience in accountancy, audit and risk management issues, both financial and non-financial.

Complies Complies partially Explain

40. That under the supervision of the audit committee, there should be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive chairman of the Board or of the audit committee.

Complies Complies partially Explain

41. That the person in charge of the unit performing the internal audit function should present an annual work plan to the audit committee, for approval by that committee or by the Board, reporting directly on its execution, including any incidents or limitations of scope, the results and monitoring of its recommendations, and present an activity report at the end of each year.

Complies Complies partially Explain Not applicable

42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following:

1. With regard to information systems and internal control:

- a) Supervising and evaluating the process of preparation and the completeness of the financial and non-financial information, as well as the control and management systems for financial and non-financial risk relating to the company and, if applicable, the group - including operational , technological, legal, social, environmental, political and reputational risk, or risk related to corruption - reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.**
- b) Ensuring the independence of the unit charged with the internal audit function; proposing the selection, appointment and dismissal of the head of internal audit; proposing the budget for this service; approving or proposing its orientation and annual work plans for approval by the Board, making sure that its activity is focused primarily on material risks (including reputational risk); receiving periodic information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.**
- c) Establishing and supervising a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially serious irregularities, especially those of a financial or accounting nature, that they observe in the company or its group. This mechanism must guarantee confidentiality and in any case provide for cases in which the communications can be made anonymously, respecting the rights of the whistleblower and the person reported.**
- d) Generally ensuring that internal control policies and systems are effectively applied in practice.**

2. With regard to the external auditor:

- a) In the event that the external auditor resigns, examining the circumstances leading to such resignation.**
- b) Ensuring that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.**
- c) Making sure that the company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.**
- d) Ensuring that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks performed and the development of the company's accounting situation and risks.**
- e) Ensuring that the company and the external auditor comply with applicable rules regarding the provision of services other than auditing, limits on the**

concentration of the auditor's business, and, in general, all other rules regarding auditors' independence.

Complies Complies partially Explain

43. That the audit committee be able to require the presence of any employee or manager of the company, even stipulating that he or she appear without the presence of any other member of management.

Complies Complies partially Explain

44. That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draw up a prior report to the Board of Directors on the economic conditions and accounting implications and, in particular, any exchange ratio involved.

Complies Complies partially Explain Not applicable

45. That the risk management and control policy identify or determine, as a minimum:

- a) The various types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks and risks relating to corruption) which the company faces, including among the financial or economic risks contingent liabilities and other off-balance sheet risks.**
- b) A risk control and management model based on different levels, which will include a specialised risk committee when sector regulations so require or the company considers it to be appropriate.**
- c) The level of risk that the company considers to be acceptable.**
- d) Measures in place to mitigate the impact of the risks identified in the event that they should materialised.**
- e) Internal control and information systems to be used in order to control and manage the aforementioned risks, including contingent liabilities or off-balance sheet risks.**

Complies Complies partially Explain

46. That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal risk control and management function should exist, performed by an internal unit or department of the company which is expressly charged with the following responsibilities:

- a) Ensuring the proper functioning of the risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks affecting the company.**
- b) Actively participating in drawing up the risk strategy and in important decisions regarding risk management.**
- c) Ensuring that the risk management and control systems adequately mitigate risks as defined by the policy laid down by the Board of Directors.**

Complies Complies partially Explain

47. That in designating the members of the nomination and remuneration committee – or of the nomination committee and the remuneration committee if they are separate – care be taken to ensure that they have the knowledge, aptitudes and experience appropriate to the functions that they are called upon to perform and that the majority of said members are independent directors.

Complies Complies partially Explain

48. That large-cap companies have separate nomination and remuneration committees.

Complies Explain Not applicable

49. That the nomination committee consult with the chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.

And that any director be able to ask the nomination committee to consider potential candidates that he or she considers suitable to fill a vacancy on the Board of Directors.

Complies Complies partially Explain

50. That the remuneration committee exercise its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:

- a) **Proposing the basic conditions of employment for senior management to the Board of Directors.**
- b) **Verifying compliance with the company's remuneration policy.**
- c) **Periodically reviewing the remuneration policy applied to directors and senior managers, including share-based remuneration systems and their application, as well as ensuring that their individual remuneration is proportional to that received by the company's other directors and senior managers.**
- d) **Making sure that potential conflicts of interest do not undermine the independence of external advice given to the committee.**
- e) **Verifying the information on remuneration of directors and senior managers contained in the various corporate documents, including the annual report on director remuneration.**

Complies Complies partially Explain

51. That the remuneration committee should consult with the chairman and the chief executive of the company, especially on matters relating to executive directors and senior management.

Complies Complies partially Explain

52. That the rules regarding the composition and workings of the supervision and control committees should appear in the regulations of the Board of Directors and that they should be consistent with those applying to legally mandatory committees in accordance with the foregoing recommendations, including:

- a) That they be composed exclusively of non-executive directors, with a majority of independent directors.
- b) That their chairpersons be independent directors.
- c) That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and require them to render account of their activities and of the work performed in the first plenary session of the Board of Directors held after each committee meeting.
- d) That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.
- e) That their meetings be recorded and their minutes be made available to all directors.

Complies X Complies partially Explain

53. That verification of compliance with the company's policies and rules on environmental, social and corporate governance matters, and with the internal codes of conduct be assigned to one or divided among more than one committee of the Board of Directors, which may be the audit committee, the nomination committee, a specialised committee on sustainability or corporate social responsibility or such other specialised committee as the Board of Directors, in the exercise of its powers of self-organisation, may have decided to create. And that such committee be composed exclusively of non-executive directors, with a majority of these being independent directors, and that the minimum functions indicated in the next recommendation be specifically assigned to it.

Complies X Complies partially Explain

54. The minimum functions referred to in the foregoing recommendation are the following:

- a) Monitoring of compliance with the company's internal codes of conduct and corporate governance rules, also ensuring that the corporate culture is aligned with its purpose and values.
- b) Monitoring the application of the general policy on communication of economic and financial information, non-financial and corporate information and communication with shareholders and investors, proxy advisors and other stakeholders. The manner in which the entity communicates and handles relations with small and medium-sized shareholders must also be monitored.
- c) The periodic evaluation and review of the company's corporate governance system, and environmental and social policy, with a view to ensuring that they fulfil their purposes of promoting the interests of society and take account, as appropriate, of the legitimate interests of other stakeholders.
- d) Supervision of the company's environmental and social practices to ensure that they are in alignment with the established strategy and policy.
- e) Supervision and evaluation of the way in which relations with the various stakeholders are handled.

Complies X Complies partially Explain

55. That environmental and social sustainability policies identify and include at least the following:

- a) The principles, commitments, objectives and strategy relating to shareholders, employees, clients, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights, and the prevention of corruption and other unlawful conduct
- b) Means or systems for monitoring compliance with these policies, their associated risks, and management.
- c) Mechanisms for supervising non-financial risk, including that relating to ethical aspects and aspects of business conduct.
- d) Channels of communication, participation and dialogue with stakeholders.
- e) Responsible communication practices that impede the manipulation of data and protect integrity and honour.

Complies X Complies partially Explain

56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgement of non-executive directors.

Complies X Explain

57. That only executive directors should receive variable remuneration linked to corporate results and personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments referenced to the share price and long-term savings plans such as pension plans, retirement schemes or other provident schemes.

Consideration may be given to delivering shares to non-executive directors as remuneration providing this is conditional upon their holding them until they cease to be directors. The foregoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition.

Complies X Complies partially Explain

58. That as regards variable remuneration, remuneration policies should incorporate the necessary limits and technical safeguards to ensure that such remuneration is in line with the professional performance of its beneficiaries and not based solely on general developments in the markets or in the sector in which the company operates, or other similar circumstances.

And, in particular, that variable remuneration components:

- a) Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk incurred to achieve a given result.

b) Promote the sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with the company's rules and internal operating procedures and with its risk management and control policies.

c) Are based on balancing the attainment of short-, medium- and long-term objectives, so as to allow remuneration of continuous performance over a period long enough to be able to assess its contribution to the sustainable creation of value, such that the elements used to measure performance are not associated only with one-off, occasional or extraordinary events.

Complies X Complies partially Explain Not applicable

59. That the payment of variable remuneration components be subject to sufficient verification that previously established performance or other conditions have effectively been met. Entities must include in their annual report on director remuneration the criteria for the time required and methods used for this verification depending on the nature and characteristics of each variable component.

That, additionally, companies consider the inclusion of a reduction ('malus') clause for the deferral of the payment of a portion of variable remuneration components that would imply their total or partial loss if an event were to occur prior to the payment date that would make this advisable.

Complies X Complies partially Explain Not applicable

60. That remuneration related to company results should take into account any reservations that might appear in the external auditor's report and that would diminish said results.

Complies X Complies partially Explain Not applicable

61. That a material portion of executive directors' variable remuneration be linked to the delivery of shares or financial instruments referenced to the share price.

Complies X Complies partially Explain Not applicable

62. That once shares or options or financial instruments have been allocated under remuneration schemes, executive directors be prohibited from transferring ownership or exercising options or rights until a term of at least three years has elapsed.

An exception is made in cases where the director has, at the time of the transfer or exercise of options or rights, a net economic exposure to changes in the share price for a market value equivalent to at least twice the amount of his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The forgoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition or, following a favourable assessment by the nomination and remuneration committee, to deal with such extraordinary situations as may arise and so require.

Complies X Complies partially Explain Not applicable

63. That contractual arrangements should include a clause allowing the company to demand reimbursement of the variable remuneration components in the event that payment was not in accordance with the performance conditions or when payment was made based on data subsequently shown to have been inaccurate.

Complies Complies partially Explain Not applicable

64. That payments for contract termination should not exceed an amount equivalent to two years of total annual remuneration and should not be paid until the company has been able to verify that the director has fulfilled all previously established criteria or conditions for payment.

For the purposes of this recommendation, payments for contractual termination will be considered to include any payments the accrual of which or the obligation to pay which arises as a consequence of or on the occasion of the termination of the contractual relationship between the director and the company, including amounts not previously vested of long-term savings schemes and amounts paid by virtue of post-contractual non-competition agreements.

Complies Complies partially Explain Not applicable

The payment terms for the termination or expiry of the chief executive officer's contract were agreed prior to the last amendment of the Good Governance Code.

Under these terms, the recommended limit of two annuities of total annual remuneration would only be exceeded in the event of termination of the contract due to the resignation of the CEO as a result of a change of control. In all other cases, the recommendation has been complied with.

In this regard, it should be clarified that the chief executive's contract governs the post-contractual non-competition obligation, and establishes that the compensation for assuming this obligation is understood to be paid to the chief executive on a periodic basis as of his appointment on 22 December 2010 and not when his contract is terminated; for such purpose, the aforementioned contract provides that 15% of his Fixed Remuneration is understood to be paid in compensation for such obligation, and does not constitute a separate component in addition to the total amount of 750,000 euros as the approved Fixed Remuneration for the chief executive, which is taken as a reference for the calculation of the variable remuneration and other remuneration components of the chief executive, as well as for the determination of the payments due to the termination of his contract. Therefore, among the payments envisaged in the event of the termination of the contract, no amount is envisaged for post-contractual non-competition.

For the reasons set out above, the Company understands that Recommendation 64 is not applicable to the compensation of the post-contractual non-competition obligation indicated above, as the compensation mechanism defined in the chief executive's contract does not entail the payment of any additional amount to the chief executive after the termination of his contract.

H FURTHER INFORMATION OF INTEREST

1. If there is any significant aspect regarding corporate governance in the company or other companies in the group that has not been included in other sections of this report, but which it is necessary to include in order to provide a more comprehensive and reasoned picture of the structure and governance practices in the company or its group, describe them briefly below.
2. This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not repetitive.

Specifically, indicate whether the company is subject to any corporate governance legislation other than that of Spain and, if so, include any information required under this legislation that differs from the data required in this report.

3. The company may also indicate whether it has voluntarily subscribed to other ethical or best practice codes, whether international, sector-based, or other. In such case, name the code in question and the date on which the company subscribed to it. Specific mention must be made as to whether the company adheres to the Code of Good Tax Practices of 20 July 2010.

This Annual Corporate Governance Report was approved by the Board of Directors of the company in its meeting held on 29/02/2024.

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

Yes

No

Name or company name of the member of the Board of Directors who has not voted for the approval of this report	Reasons (against, abstention, non attendance)	Explain the reasons
Observations		