APPENDIX I:

Format and statistics of the Annual Report on Directors' Remuneration of Notice 3/2021, of the CNMV

ANNEX I MODEL
ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS IN LISTED COMPANIES

ISSUER IDENTIFICATION DATA

YEAR END DATE OF REFERENCE	31 December 2024
Tax identification code (C.I.F.)	A-28212264

Company Name:

ENCE ENERGIA Y CELULOSA, S.A.

Registered Address:

CALLE DE ESTEBÁNEZ CALDERÓN, 3-5, PLANTA 2ª, 28020 - Madrid, Spain

ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS IN LISTED COMPANIES

A CORPORATE REMUNERATION POLICY FOR THE CURRENT YEAR

A.1.1 Explain the current directors' remuneration policy applicable to the current fiscal year. To the extent relevant, certain information may be included by reference to the remuneration policy approved by the General Shareholders' Meeting, provided that the incorporation is clear, specific and concrete.

A description must be given of the specific determinations for the current fiscal year, both of the remuneration of directors for their status as such and for the performance of executive functions, which the board has carried out in accordance with the provisions of the contracts signed with the executive directors and with the remuneration policy approved by the general meeting.

In any case, at least the following aspects should be reported:

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

b) Indicate and, where appropriate, explain whether comparable companies have been taken into account in establishing the company's remuneration policy.

c) Information on whether any external advisor has participated and, if so, the identity of the advisor.

d) Procedures under the existing directors' remuneration policy for applying temporary exceptions to the policy, the terms under which such exceptions may be used and the components that may be subject to exception under the policy.

The directors' remuneration policy in force for the current year is that approved by the Company's 2023 General Meeting of Shareholders (hereinafter, the "Policy"), applicable from its approval until 31/12/2026, without prejudice to any adaptations or updates that the board may carry out in accordance therewith, and any amendments that may be approved by the General Meeting from time to time. The Policy regulates the following aspects: Principles. Summary of the main changes compared to the previous policy. Remuneration of executive directors and directors in their capacity as such. Process of setting, reviewing and implementing the policy Actions taken to adjust the Policy to the long-term objectives, values and interests of the company, and Validity.

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

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

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

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

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

CNR: proposes to the Board of Directors the distribution, among the different items, of the maximum amount approved by the General Shareholders' Meeting, proposes to the Board the fixed remuneration of the executive directors and annually reviews the conditions of variable remuneration to be approved by the Board, proposes to the Board of Directors the contracts regulating the performance of the duties and responsibilities of the executive directors and proposes to the Board the approval of the Annual Directors' Remuneration Report, and where appropriate, of the Policy, its adaptations or updates.

In carrying out the above functions, the CNR may be assisted by independent external consultants and remuneration experts and shall ensure that any conflicts of interest do not impair the independence of the advice given to the CNR.

Sustainability committee: Regarding long-term variable remuneration, the Committee prepares, in accordance with the Sustainability Master Plan, the proposal of the sustainability objectives to be approved by the Board of Directors.

In addition, other areas of the Company are also involved in the process of determining, reviewing and applying the Policy:

Planning and Control Department: It elaborates the report on the degree of achievement of operational, business, financial and non-financial objectives, based on the results audited by the Company's internal and external auditor.

Internal Audit Department: It drafts a report on the correctness of the data and calculations made in relation to the annual target indicators, their quantification and the degree of achievement for each target.

General Secretary: Prepares formal Policy documentation for submission to the CNR and the Board; prepares, together with the Human Capital Department, the Annual Directors' Remuneration Report (IARC).

Without prejudice to the foregoing, throughout this report, the procedures and mechanisms applied by the CNR and by the board of directors to determine the sums received by the directors.

Both the Policy and the IARC are permanently available on the corporate website www.ence.es.

For the preparation of the Policy, the CNR considered a multi-sectoral group composed mainly of companies with a parent company in Spain, mainly linked to the industrial and/or energy sector, comparable in terms of size regarding turnover, volume of assets, capitalisation and number of employees.

The Company was advised by independent external counsel from the renowned firm Willis Towers Watson. There are no procedures for applying temporary exceptions to the Policy.

The CNR at its meeting of 22/01/2025 reported favourably on the proposed setting of targets in relation with the CEO's short-term variable remuneration for the 2025 financial year, which was approved by the board on 28/01/2025.

A1.2 The relative importance of variable remuneration items with respect to those fixed (remuneration mix) and what criteria and objectives have been taken into account in their determination and to guarantee an appropriate balance between the fixed and variable components of remuneration. In particular, state the actions taken by the company in relation to the remuneration system in order to reduce exposure to excessive risks and adjust it to the long-term objectives, values and interests of the company, which will include, where appropriate, a reference to: measures intended to ensure that the remuneration policy addresses the long-term performance of the company, the measures adopted in relation to the categories of personnel whose professional activities have a material impact on the entity's risk profile, and measures planned to avoid conflicts of interests.

Likewise, state whether the company has established a period for the accrual or consolidation of certain variable remuneration items, in cash, shares or other financial instruments, a period of deferral in the payment of amounts or delivery of financial instruments already accrued and consolidated, or whether a clause has been agreed to reduce deferred remuneration that is not yet consolidated or oblige the director to return the remuneration received, when such remuneration has been based on data whose inaccuracy has subsequently been clearly demonstrated.

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

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

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

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

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

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

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

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

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

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

(iii) The CEO's contract incorporates *malus* and *clawback* clauses.

In accordance with the provisions of the Policy:

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

The relative importance (remuneration mix) of each of these components in 2024 is detailed in section B.4 of this report.

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

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

The determination of the variable remuneration targets for 2025 for the CEO, approved by the Board and reported favourably by the CNR, which is referred to in greater detail in section A.1.6 of this report, includes quantifiable and measurable metrics that reflect the company's value drivers and at the same time ensure the company's sustainability in the long term. In this sense, the annual targets are linked to the Company’s growth, to the operational execution, to the generation of cash, to the fulfilment of parameters of environmental behaviour, and those related to people, their safety, and the organisational climate. All of them, as a whole, are aligned with the interests of the Company and offer a balanced summary focused on sustainable growth.

Long-term variable remuneration schemes, on the other hand, are part of a multi-annual framework, always longer than two years, to ensure that the evaluation process is based on long-term results and takes into account the corresponding economic cycle. The long-term incentive applicable for the

current financial year, approved by the general meeting of shareholders in 2023, which corresponds to the period from 2023 to 2027, among its purposes includes:
• Aligning participants' interests with those of shareholders over the long term.
• Incentivising the sustainable achievement of the objectives.
• Motivating participants by giving them the opportunity to share in the creation of long-term value.
• Bringing participants' remuneration package in line with market practice.
• Fostering a sense of belonging to Ence and a shared destiny.
• Aligning with remuneration best practices and corporate governance recommendations.

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

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

A.1.3 Amount and nature of the fixed components expected to accrue to directors in their capacity as such during the year.

Article 38 of Ence's current articles of association enables Directors, in their capacity as such, to receive a specific periodic allowance (as part of this periodic allowance, the policy may establish that directors receive subsistence allowances for attendance at meetings of the Board of Directors and its committees). The Company may also take out life, accident, sickness and health insurance for its Directors. The amount of remuneration that the Company may pay annually to all its Directors in their capacity as such for all items, including attendance fees and premiums for life, accident and health insurance and health care, shall not exceed the amount determined for this purpose by the general shareholders’ meeting in the remuneration policy it has approved. The amount so determined shall remain unchanged until it is changed by a new resolution of the General Shareholders’ Meeting. The fixed remuneration that the directors are expected to accrue in their capacity as such in the current financial year is that determined by the board of directors in 2018, following a report from the CNR, and which has remained unchanged since then, specifically €44,500 for each of the directors and €135,000 for the chair of the board of directors. In addition, the amount of the per diems for attending the meetings of the Board and its committees (except for the Chairman of the Board and the CEO, who do not receive attendance per diems pursuant to their service provision agreement) in the current financial year shall be as follows:

Members of the Board: €2,200.

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

Members of the Committees: €3,000 The maximum annual amount of Remuneration for all Directors in their capacity as such is €1,900,000 in accordance with the provisions of the policy, and which coincides with the amount approved by the General Shareholders' Meeting on 22 March 2018, and will remain in force until it is modified at a subsequent General Shareholders' Meeting.

A.1.4 Amount and nature of the fixed components that will be accrued in the year for the performance of senior management functions of the executive directors.

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

A.1.5 The amount and nature of any remuneration component in kind that will be accrued in the financial year including, but not limited to, the insurance premiums paid in favour of the director.

The Company has taken out a policy that insures the group which is formed by all the Directors against the following risks derived from accidents: death, absolute permanent disability, and partial permanent disability (the risk of permanent disability is not covered for Directors who are over the age of 75). Additionally, the Company offers the Directors and their spouses the possibility of an annual medical check-up. The amounts of premiums paid by the company for the above components are shown in section C of this report. In addition, the CEO, for performing his executive functions and in accordance with the service provision contract, is the beneficiary of:

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

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

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

Likewise, the part of the premium of the mixed life insurance contract that is necessary to finance the additional capital due to death, absolute, permanent, or major disability will be paid in half by the Company and the CEO. However, the CEO will contribute 1.125% of the annual Fixed Remuneration in this respect. Any excess over this amount will be fully assumed by the Company.

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

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

3. Other remuneration: In addition, the CEO shall be entitled to medical insurance for himself, his spouse, and his unmarried children living in the family home, the cost of which shall be borne by the Company. In addition, the CEO will have at his disposal a company vehicle and a driver, the costs of which will be borne by the Company.

A.1.6 Amount and nature of the variable components, differentiating between those established in the short- and long-term. Financial and non-financial parameters, including social, environmental and climate change parameters, selected to determine variable remuneration in the current year, an explanation of the extent to which these parameters relate to the performance of both the director and the entity and to its risk profile, and the methodology, period required and techniques envisaged to determine, at the end of the year, the degree of compliance with the parameters used in the design of variable remuneration, explaining the criteria and factors applied in terms of the time required and methods to verify that the performance conditions or any other conditions to which the accrual and consolidation of each component of the variable remuneration was linked have been effectively met.

Indicate the range in monetary terms of the different variable components according to the degree of compliance with the established objectives and parameters, and whether there is any maximum monetary amount in absolute terms.

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

<u>A) The short-term variable remuneration:</u> this will be determined by the board of directors, following the proposal of the CNR, based on the overall assessment of their professional performance and the degree of achievement of the Company's annual objectives. This Variable Remuneration can reach a maximum amount of 120% of the CEO's last Fixed Remuneration. The Short-Term Variable Remuneration is linked to predetermined and measurable criteria which shall not only revolve around occasional or extraordinary events, nor be based solely on the general evolution of the markets or the Company's

sector, but shall promote the long-term sustainability and profitability of the Company, as well as recognition of good performance.

The targets set for 2025 are the following:

- Group EBITDA - weight 19%

- TAD Cellulose production - weight 5.00%

- Neg. MWh Cellulose Sales - weight 5.00%

- Neg. MWh Energy Sales - weight 5.00%

- Additional Ebitda Sales of Special Products - weight 5.00%

- Cash Cost Cellulose (€/tAD) - weight 12.00%

- Cash Cost Biomass Plants Magnon (€/MWh) (NO GAS) - weight 7.00%

- Total structure costs (including IFRS 16 rents) €M - weight 9.50%

- Minutes of odour Navia - weight 0.500%

- Minutes of odour Pontevedra - weight 0.500%

- Reducing water consumption. Weighted average by production - weight 2.000%

- Frequency rate: Cellulose - weight 0.250%

- Frequency rate: Energy independent plants - weight 0.250%

- Frequency rate: biomass supply - weight 0.250%

- Frequency rate: Forest D. - weight 0.25%

- Improvement of Ence's organisational climate (Corporate weight: 50% Ence, 50% DG) - weight 1.00%

- Signing of new energy service contracts (MWt) - 5.00%

- Fluff (product approvals made for the sales volumes reported in tAD) - weight 7.50%

- Biomethane: EBITDA La Galera plant + new biogas project - weight 5.00%

- Start of construction of 2 biomethane plants - weight 5.00%

- Moulded fibre: tray approvals achieved (millions of units) - weight 5.00%

A "qualitative target" is set for the CEO in 2025, with a weight of 20% of the incentive as a whole, linked with their individual performance assessment.

For the calculation of the amount resulting from the annual variable remuneration, the result of the quantitative objectives shall be multiplied by 0.80 and the result of the qualitative assessment shall be added.

Short-term variable remuneration is therefore linked to the achievement of quantitative and qualitative targets predetermined by the Board.

The Board, at the proposal of the Appointments and Remuneration Committee, is responsible for approving the objectives at the beginning of each financial year and evaluating their fulfilment at the end of the year. The final amount is calculated taking into account the degree of compliance and the weighting assigned to each objective, applying the internal assessment rules and procedures for objectives established by the Company for its executives. To enable verification of compliance with the predetermined performance conditions, payment shall be made in cash after the annual accounts have been drawn up and the audit report issued, and in any case within one month of the drawing up of the annual accounts for the financial year in question, unless exceptional circumstances require an additional period of time. However, if after payment the Company becomes aware that it has been paid in whole or in part on the basis of data subsequently proven to be inaccurate or if the payment did not comply with the performance conditions established in the corresponding objectives, the Chief Executive Officer is required to reimburse the Company within 90 business days following a claim for any unduly received sums in this respect, net of any withholdings made by the Company.

<u>B) Long-term variable remuneration:</u> The Annual General Meeting of Shareholders of 5 May 2023 approved the long-term Incentive Plan for financial years 2023 to 2027, as a monetary remuneration plan and delivery of the Company's shares of a multi-year nature (the “Plan”).

The Plan will have a duration of 5 years and will be divided into 3 overlapping annual cycles of 3 years each, independent of each other (i.e. with delivery of the actions corresponding to each cycle after 3 years from the start of each cycle). Specifically:

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

Cycle II will correspond to the 3-year period between 2024 and 2026 (both included), with the target measurement period of Cycle II being between 1 January 2024 and 31 December 2026.

Cycle III will correspond to the 3-year period between 2025 and 2027 (both included), with the target measurement period of Cycle III being between 1 January 2025 and 31 December 2027.

This is without prejudice to the obligations to maintain the shares delivered under the Plan.

The maximum number of shares that may be assigned under the Plan: the maximum number of shares that may be assigned under the Plan is 8,637,532 ordinary shares of the Company, representing 3.51% of the share capital, of which a maximum of 1,736,111 shares are assigned to the Chairman and Chief Executive Officer of Ence.

Specifically, the number of shares to be delivered to the Chairman and CEO in the first cycle (2023-2025) of the Plan, in the event that the targets are met 100% is 694,444 shares. This number of shares is the result of dividing three annuities of their Fixed Remuneration set out in the Remuneration Policy by €3.24 (the arithmetic average share price of the Company's shares in the period from 20 trading days prior to 1 January 2023 to 30 March 2023, rounded to two decimals). In this respect, as can be observed, the Board of Directors decided to extraordinarily extend the period for calculating the average trading price compared to the standard period (arithmetical average trading price of the Company's shares in the 20 trading days before 1 January 2023 and up to 1 March 2023). In this way, the share price reflects the revaluation experienced after the favourable ruling on the extension of the concession of the Pontevedra biofactory. Therefore, by considering a higher share price than would have been obtained by applying the standard period, the number of shares to be granted in the first cycle has been reduced. In a scenario of achievement beyond targets, the maximum number of shares to be delivered would amount to 150% of the previous number.

For the second cycle (2024-2026) and third cycle (2025-2027), the number of shares to be delivered to the Chairman and Chief Executive Officer, in the event that 100% of the targets established at the time are met, will be calculated by dividing one year's fixed remuneration by the arithmetic average price of the Company's shares on the 20 trading days before and after 1 January of the first year of the target measurement period of each cycle. The specific number of Ence shares that, within the established maximum, will be delivered to the beneficiaries of the Plan at the end of each cycle will be conditional on the fulfilment of financial, non-financial and shareholder value creation objectives. The targets to be set in each cycle may be financial (e.g. EBITDA, Net Profit, Free Cash Flow, etc.), value creation (e.g. absolute or relative Total Shareholder Return) or ESG (Environmental, social and governance).

The number of shares to be delivered to the Chairman and CEO in the second cycle (2024-2026) of the Plan, in the event that the targets are met 100% is 262,238 shares. This number of shares is the result of dividing three annuities of their fixed remuneration set out in the Remuneration Policy by €2.86 (the arithmetic average share price of the Company's shares in the period from 20 trading days before and after 1 January 2024, rounded to two decimal places). In a scenario of achievement beyond targets, the maximum number of shares to be delivered would amount to 150% of the previous number.

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

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

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

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

<u>Cumulative accounting EBITDA over the 2023-2025 period:</u> It is considered as the sum of the accounting EBITDA of Ence Energía y Celulosa, S.A. and subsidiaries, published in the consolidated annual accounts, for the years 2023, 2024 and 2025. For employees in the pulp business, this target will consider the sum of the accounting EBITDA of the pulp business, published in the consolidated annual accounts for the years 2023, 2024 and 2025. For both EBITDA, the Board of Directors, at the proposal of the CNR, has determined a scale of achievement which includes a (i) minimum threshold, below which no Incentive is paid and which will result in the delivery of 25% of the Incentive; (ii) a target level, which will result in the delivery of 100% of the Incentive; and (iii) a maximum level, which will result in the delivery of 150% of the Incentive.

<u>Total Shareholder Return:</u> The performance of an investment in the company's shares, determined by the quotient (expressed as a percentage ratio) between the final value of a hypothetical investment in shares and the initial value of that same hypothetical investment, is considered as TSR. For these purposes, for the calculation of such final value, dividends or other similar items received by the shareholder on such investment, during the relevant period of time, shall be considered as if the gross amount thereof (before tax) had been reinvested in further shares of the same type, on the first date on which the dividend or similar item is payable to the shareholders and at the closing price on such date. The initial value shall mean the arithmetic average price of the relevant company's shares in the period

from 20 trading days prior to 1 January 2023 to 30 March 2023, rounded to two decimals, amounting to €3.24. Final value means the arithmetic average price of the company's share, rounded to two decimals, for the 20 trading sessions before and after 31 December 2025.

To determine compliance with the relative TSR target with respect to a comparison group, the TSR of the Ence share will be compared with the TSR of the following 16 companies: Acciona Energía, Altri, Canfor Pulp, CMPC, Drax Group, Greenvolt, Holmen, Miquel y Costas, Navigator, OPDE, Solaria, Stora Enso, Suzano, Svenska Cellulosa, UPM and Voltalia. When calculating the TSR of the 16 companies, the currency in which each of these companies is listed will be considered.

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

<u>Environmental and organisational climate objectives:</u>

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

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

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

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

For the second cycle (2024-2026) of the Plan, the determination of the long-term incentive will be based on the following metrics:

- 40% of cumulative accounting EBITDA of the group over the 2024-2026 period.

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

- 30% Organisational sustainability and climate objectives:

<u>Cumulative accounting EBITDA over the 2024-2026 period:</u> It is considered as the sum of the accounting EBITDA of Ence Energía y Celulosa, S.A. and subsidiaries, published in the consolidated annual accounts, for the years 2024, 2025 and 2026. For employees in the pulp business, this target will consider the sum of the accounting EBITDA of the pulp business, published in the consolidated annual accounts for the years 2024, 2025 and 2026. For both EBITDA, the Board of Directors, at the proposal of the CNR, has determined a level of achievement which includes a (i) minimum threshold, below which no Incentive is paid and which will result in the delivery of 25% of the Incentive; (ii) an expected level, the fulfilment of which will mean the delivery of 75% of the objective; (iii) a target level, which will result in the delivery of 100% of the Incentive; and (iv) a maximum level, which will result in the delivery of 150% of the Incentive.

<u>Total Shareholder Return:</u> The performance of an investment in the company's shares, determined by the quotient (expressed as a percentage ratio) between the final value of a hypothetical investment in shares and the initial value of that same hypothetical investment, is considered as TSR. For these purposes, for the calculation of such final value, dividends or other similar items received by the shareholder on such investment, during the relevant period of time, shall be considered as if the gross amount thereof (before tax) had been reinvested in further shares of the same type, on the first date on which the dividend or similar item is payable to the shareholders and at the closing price on such date. The initial value shall mean the arithmetic average price of the company's shares in the period from 20 trading days before and after 01 January 2024, rounded to two decimals, amounting to €2.86. Final value means the arithmetic average price of the company's share, rounded to two decimals, for the 20 trading sessions before and after 31 December 2026.

To determine compliance with the relative TSR target with respect to a comparison group, the TSR of the Ence share will be compared with the TSR of the following 14 companies: Acciona Energía, Altri, Canfor Pulp, CMPC, Drax Group, Holmen, Miquel y Costas, Navigator, Solaria, Stora Enso, Suzano, Svenska Cellulosa, UPM and Voltalia. When calculating the TSR of the 14 companies, the currency in which each of these companies is listed will be considered.

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

Organisational sustainability and climate objectives**:**

• 5%. Water resilience Pontevedra Biofactory:

IWWTP project implementation and UWWTP project implementation ready for use on 31 July 2026 (with all permits and licences) • 5% Water resilience Navia biofactory: Actions implemented by 31 December 2026.

• 5% Decarbonisation of lime kiln in Pontevedra:

% renewable primary energy = primary energy from renewable fuels (methanol, biomass, etc.) / total primary energy (renewable fuels + non-renewable fuels such as NG or fuel oil). Calculated in December 2026 •

5% Decarbonisation of lime kiln in Navia: % renewable primary energy = primary energy from renewable fuels (methanol, biomass, etc.) / total primary energy (renewable fuels + non-renewable fuels such as NG or fuel oil). Calculated in December 2026.

• 5% Organizational climate:

Top Employer 2025 certification + Top Employer 2026 recertification:
% improvement in score vs. score 2025

• 5% Security:

Frequency Index (FI) biofactories + forestry purchases + assets:
Weighted average of annual FIs (2024-2026)

To determine the level of fulfilment of the aforementioned objectives, the Board of Directors, at the proposal of the CNR, has determined a level of achievement which includes a (i) minimum threshold, below which no Incentive is paid and which will result in the delivery of 40% of the Incentive; (ii) an expected level, the fulfilment of which will mean the delivery of 80% of the objective; (iii) a target level, which will result in the delivery of 100% of the Incentive; and (iv) a maximum level, which will result in the delivery of 150% of the Incentive.

For the third cycle (2025-2027) of the Plan, the measurement period of which begin on 1 January 2025, the Board of Directors will establish eligibility, the criteria for determining the Incentive and the specific number of shares to be granted, the metrics, the weighting of each and the scales of achievement based on the strategic priorities at any given time, within the limits established in the current Directors' Remuneration Policy. The Board, acting on a proposal from the CNR, will determine the payment levels, after the target measurement period has closed, based on the degree of compliance. The assessment of results and the determination of payment for some metrics may be made based on data provided by external consultants. In this assessment, the Board will also consider the associated risks. In this regard, positive or negative economic effects arising from extraordinary events that could introduce distortions in the evaluation results may be eliminated when proposing the level of achievement of the quantitative targets.

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

The Plan establishes a series of requirements for the beneficiary to be able to receive the final incentive: (i) Achieving at least minimum compliance with the targets to which the relevant Plan cycle is linked and (ii) remaining continuously in active service with the Company, or as the case may be, the Group until the end of the target measurement period of the corresponding cycle (except in the cases of early termination of the relationship that are contemplated in the plan itself, “good leavers”).

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

For the purposes of calculating the weighted payment ratio, the degree of achievement of Ence's performance-related targets will be determined taking into account any qualifications in the auditor's report that reduce these results. An obligation is established for the chief executive officer to hold a number of shares, net of tax, equal to twice their annual fixed remuneration for a period of 3 years from the delivery of the shares, unless they hold shares with a value equal to or greater than twice their fixed remuneration at the time of delivery.

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

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

A.1.7 Main features of long-term savings schemes. Among other information, the contingencies covered by the system, if it is a defined contribution or defined benefit system, the annual contribution to be made to defined contribution systems, the benefit to which the beneficiaries are entitled in the case of defined benefit systems, the conditions of consolidation of the economic rights in favour of the directors and their compatibility with any type of payment or indemnity for termination or early termination, or deriving from the termination of the contractual relationship, under the terms envisaged, between the company and the director shall be indicated.

Indicate whether the accrual or consolidation of any of the long-term savings plans is linked to the achievement of certain objectives or parameters related to the short and long-term performance of the director.

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

As indicated beforehand with regard to remuneration in kind, by virtue of their executive duties and in accordance with the service provision contract, the CEO is the beneficiary of a mixed social security system to cover the contingencies of retirement, death, and total, absolute, or severe permanent disability, as well as a defined social security system that is independent of the previous social security system. The aforementioned mixed social security system is a defined contribution system in which the CEO contributes 1% of his annual fixed remuneration and the Company contributes 5.25% of it. These defined contribution mixed savings insurance contract rights the savings component are compatible with any type of indemnity for early termination or termination of the contractual relationship between the company and the CEO. The CEO shall lose the rights relating to the contributions made by the company in the following cases set out in the contract for the provision of services:

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

• Voluntary resignation of the chief executive officer, not due to a change of control under the terms set out in said contract, before reaching the age of 62. As already stated in the previous year's report, the CEO reached the age of 62 in 2023, so this assumption does not apply.

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

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

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

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

A.1.8 Any type of payment or indemnity for early termination or termination of the contractual relationship under the terms established between the Company and the

Director, whether the termination be the will of the Company or the Director, as well as any type of agreed pacts, such as exclusivity, post-contractual non-attendance and permanence or loyalty, which give the Director the right to any type of payment.

Directors in their capacity as such are not entitled to receive any payment or compensation for early termination or cessation of the contractual relationship. Regarding the CEO, the contract for the provision of services establishes the following provisions:

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

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

iii) During the twelve months following a Director’s dismissal for any reason, he or she may not compete with the Company. Compensation for the Chief Executive Officer's post-contractual non-competition obligation has been paid to the Chief Executive Officer since his appointment as Chief Executive Officer. For this purpose, 15% of his Fixed Remuneration is deemed to be paid to the Chief Executive Officer as compensation for the non-competition obligation. If this requirement is not complied with, the Director must pay back the compensation paid for this item to the Company, without prejudice to the damages which may be claimed. With regard to the latter compensation, it should be noted that it would not entail the payment of any additional sum upon termination of the contractual relationship between the Company and the CEO.

A.1.9 Indicate the conditions that must be respected in the contracts of those who perform senior management functions as Executive Directors. Among others, information shall be supplied about the duration, limits to the compensation amounts, permanency clauses, notice periods, as well as payment in lieu of the aforementioned notice period and any other clauses related to hiring bonuses, as well as a compensation or golden parachute clauses for early termination or cancellation of the contractual relationship between the company and the Executive Director. Include, among others, covenants or agreements of non-competition, exclusivity, permanence or loyalty and prevention of post-contractual competition, unless they have been explained in the previous section.

The service provision contract between ENCE and the CEO covers, in addition to the clauses detailed in the above section, the following terms and conditions:

i) The CEO may resign from his position at any time, with a written notice at least three months in advance, with no right to compensation of any kind. If this notice is not given, the Company will be entitled to a compensation equivalent to the Fixed Remuneration corresponding to the non-observed term of notice.

ii) Full and exclusive dedication of the Director is required, without prejudice to the positions that they may hold (i) in companies belonging to the Company's group and (ii) in family companies of an asset-holding nature, provided that they do not affect their dedication and do not entail a conflict of interest with the Company, or (iii) in other companies other than the above when expressly authorised to do so by the Board of Directors.

iii) The severance pay shall be paid when the Company verifies, within three months following the severance, that there have been no serious infractions or breaches resulting in verifiable harm to the Company or, if applicable, that other performance criteria that may be agreed in advance have been met.

iv) The contract for the provision of services remains in force while Mr Ignacio de Colmenares Brunet occupies his position as CEO of the Company.
v) Clawback and malus clauses:
A).- Clawback: The Chief Executive Officer shall be required to repay to the Company the net sums received as annual and multi-year variable remuneration when, within two years of such payment, any event or circumstance arises that has the effect of significantly altering the economic or other data on which the variable remuneration in question was granted, and the board of directors, at the proposal of the CNR, decides to reduce or cancel the Chief Executive Officer's entitlement to the variable remuneration already received.
B). - Malus: The annual or multi-annual variable remuneration pending payment, whether in cash or shares, may be reduced or cancelled by the company if during the period between the date of accrual of such variable remuneration and the time of its payment it is possible to establish the inaccuracy or incorrectness of the data used to calculate the final amount of such variable remuneration. This reduction or cancellation of accrued but unpaid variable remuneration would also apply in the case of short- and long-term variable remuneration that may be deferred over time. In addition, the board of directors may defer payment of all or part of the variable remuneration if circumstances or supervening events make such deferral advisable. The Board of Directors, upon a proposal from the CNR, shall determine the amount to be reduced or, as the case may be, deferred from the outstanding remuneration applicable to the chief executive officer before such amount is received.

A.1.10 The nature and estimated amount of any other supplementary remuneration that will be accrued by the directors in the current financial year in consideration for services rendered other than those inherent to their position.

There has been no additional remuneration.

A.1.11 Other remuneration items such as those deriving, where applicable, from the granting by the company to the director of advances, loans and guarantees and other remunerations.

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

A.1.12 The nature and estimated amount of any expected supplementary remuneration not included in the previous sections, whether paid by the entity or another entity in the group, which will accrue for Directors in the current financial year.

There has been no additional remuneration.

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

a) A new policy or a modification of the policy already approved by the Board.

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

c) Proposals that the Board of Directors has agreed to submit to the General Shareholders' Meeting to which this annual report will be submitted and that are proposed to be applicable to the current fiscal year.

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

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

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

A.4 Explain, taking into account the data provided in section B.4, how the vote of the shareholders was taken into account at the General Meeting at which the Annual Remuneration Report for the previous year was submitted to a consultative vote.

In the vote on item eight of the Agenda of the General Shareholders' Meeting held on 04 April 2024, relating to the consultative vote on the Annual Remuneration Report for 2023, 137,362,858 valid votes were cast, representing 55.77% of the share capital with a voting right. It was approved by a majority of 136,932,064 votes (99.68% of the votes cast). Taking into account the percentage of votes in favour of the 2023 report, the Company understands that the measures adopted aimed at completing the information provided in the Report continue to be positively received by the shareholders, who have shown their majority support and have once again revalidated their approval with a very high percentage of approval, reaching almost 100% of the votes cast.

B GENERAL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED IN THE PREVIOUS FISCAL YEAR

B.1.1 Explain the process followed to apply the remuneration policy and determine the individual remuneration reflected in section C of this report. This information shall include the role played by the remuneration committee, the decisions taken by the board of directors and, where applicable, the identity and role of the external advisers whose services have been used in the process of applying the Remuneration Policy in the closed financial year.

The individual remunerations reflected in section C of this Report have been approved by the Board of Directors, following a favourable report from the CNR, in application of the current Policy, approved by the general meeting on 5 May 2023, which is valid until 31 December 2026.

The fixed remuneration of the Chief Executive Officer for their executive duties amounts to €750,000 in accordance with the remuneration provided for in their service contract and the remuneration policy in force.

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

With respect to the short-term variable remuneration of the CEO for the 2024 financial year, on 22 January 2025 the CNR assessed the degree of compliance with the targets set, audited beforehand by the Company's Internal Audit Department, and reported favourably on the proposal for variable remuneration that was approved by the Board at its meeting on 28 January 2025.

With respect to the short-term variable remuneration of the CEO for the 2024 financial year, on 22 January 2025 the CNR assessed the degree of compliance with the targets set, audited beforehand by the Company's Internal Audit Department, and reported favourably on the proposal for variable remuneration that was approved by the Board at its meeting on 28 January 2025. The total short and long-term variable remuneration for the 2024 period corresponded to a total of €667,005.

As regards long-term variable remuneration, on 04 April 2024, following a favourable report from the CNR, the Board of Directors agreed to approve the degree of compliance with the targets of the 2019-2023 Long-Term Incentive Plan, and consequently the amount of the resulting incentive in cash and shares, to be received by the beneficiaries on the payment date, 4 July 2024.

All the remuneration components indicated in section C were also reviewed by the CNR on 22 January 2025, which applied the items and amounts provided for in the Policy and approved by the board of directors on 28 January 2025.

B.1.2 Explain any deviations from the procedure established for the application of the remuneration policy that have occurred during the financial year.

There have been no deviations from the established procedure.

B.1.3 Indicate whether any temporary exceptions to the remuneration policy have been applied and, if so, explain the exceptional circumstances that have led to the application of these exceptions, the specific components of the remuneration policy affected and the reasons why the company considers that these exceptions have been necessary to serve the long-term interests and sustainability of the company as a whole or to ensure its viability. Also quantify the impact that the application of these exceptions has had on the remuneration of each director during the year.

No temporary exceptions have been applied.

B.2 Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks and adjusting it to the company's long-term objectives, values and interests, including a reference to the measures that have been adopted to ensure that the remuneration accrued has taken into account the long-term performance of the company and achieved an appropriate balance between the fixed and variable components of remuneration, what measures have been adopted in relation to those categories of personnel whose professional activities have a material impact on the entity's risk profile, and what measures have been adopted to avoid conflicts of interest, if any.

The Policy is designed to be consistent with the company's strategy and long-term performance orientation: 1) The remuneration of the executive director is basically made up of different remuneration elements: fixed remuneration, short-term variable remuneration and long-term variable remuneration; 2) For short-term variable remuneration, specific and quantifiable objectives are set, of a financial and non-financial nature, linked to the social interest and sustainable growth of the company. Long-term variable remuneration is linked to objectives related to the company's growth, the generation of shareholder value, with a specific focus on work climate and sustainability, 3) Long-term variable remuneration plans are embedded in a multi-year framework, always over two years, to ensure that the evaluation process is based on long-term results and takes into account the underlying economic cycle of the company. This remuneration is granted and paid in the form of shares on the basis of value creation, so that the interests of the executives are aligned with those of the shareholders, 4) Shares delivered under the long-term variable remuneration to the CEO will be subject to a 3 year holding period as long as the permanent holding requirement (2 annuities of the fixed remuneration) is not reached.

Balance between fixed and variable remuneration components: The variable remuneration system is flexible and allows that in case of non-achievement of minimum performance levels, no variable remuneration is paid, and is therefore not guaranteed. The percentage of short- and long-term variable remuneration can be relevant if the maximum level of target achievement is reached. Moreover, measures that help to avoid excessive risk-taking and foster a culture of commitment to objectives include: 1) The corporate governance system, the internal regulations and the control and compliance systems, which establish supervision and counterbalance mechanisms to avoid the concentration of decision-making capacity in areas that may involve a high concentration of risks, 2) The payment of the annual variable remuneration takes place after the date of preparation and audit of the annual accounts and after determining the degree of achievement of the objectives and 3) The chief executive officer's contract incorporates malus and clawback clauses.

In accordance with the provisions of the Policy:
- The remuneration of Directors in their capacity as members of the Board of Directors and its committees consists of a fixed allowance and allowances for attendance at meetings (except for the Chairman of the Board and of the executive committee who do not receive allowances), as well as the possibility of receiving other remuneration consisting of different types of insurance (life insurance, accident insurance, healthcare). Non-executive Directors are not expected to receive variable remuneration.
- The total compensation of the Executive Directors is made up of different remuneration items, which mainly consist of: (i) a fixed remuneration, (ii) a short-term variable remuneration, (iii) a long-term/multi-annual variable remuneration, (iv) assistance benefits, and (v) remuneration in kind.

As regards the remuneration mix of the Chairman and CEO for 2024, taking as a reference the total remuneration and the level of compliance with the annual variable remuneration in 2024, the fixed remuneration represents 54.50% for their position as Chairman and for executive functions, and the annual variable remuneration represents 45.50%, which corresponds to the short and long-term variable remuneration.

The chief executive officer's remuneration package is mainly biased towards variable remuneration, both short and long term, so that most of the total remuneration is received only if the targets set in the short and long term variable remuneration are met.

The variable remuneration for 2024 for the CEO, approved by the Board and favourably reported by the CNR, referred to in greater detail in section B.7 of this report, includes quantifiable and measurable metrics that reflect the company's value drivers and the Company's performance with respect to each of them, while ensuring the company's long-term sustainability at the same time.

In this sense, the targets are linked to the Company's growth, to the operational execution, to the generation of cash, to the fulfilment of parameters of environmental behaviour, and those related to people, their safety, and the organisational climate, as well as the general assessment of their management during the financial year based on certain activities that are especially noteworthy, detailed in section B.6. All of them, as a whole, are aligned with the interests of the Company and offer a balanced summary focused on sustainable growth.

Long-term variable remuneration schemes, on the other hand, are part of a multi-annual framework, always longer than two years, to ensure that the evaluation process is based on long-term results and takes into account the corresponding economic cycle.

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

Likewise, provide details of the relationship between the remuneration earned by the Directors and the entity's results or other performance measures, short- and long-term, explaining, where appropriate, how variations in the company's performance have influenced the Directors' remuneration variations, including accrued debts whose payment was deferred, and how they contribute to the short and long-term results of the company.

In accordance with the Policy in force, the total compensation of executive directors is made up of the remuneration elements stated above: (i) a fixed remuneration, (ii) a short-term variable remuneration, (iii) a long-term/multi-annual variable remuneration, (iv) assistance benefits, and (v) remuneration in kind.

In turn, remuneration of directors in their capacity as such consists of fixed remuneration and other items in kind such as life, accident, health, and medical insurance, with the maximum annual amount of remuneration for all directors in their capacity as such being €1,900,000.

Based on this, the previous sections have explained in detail how the remuneration accrued in the financial year, referring to the above-mentioned remuneration items, complying with the provisions of the current remuneration policy.

Regarding the contribution of accrued remuneration to the long-term and sustainable performance of the Company, it should be noted that accrued remuneration is determined in accordance with the Policy and is designed in a manner consistent with the Company's strategy and long-term performance orientation:

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

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

• Long-term variable remuneration schemes are part of a multi-annual framework, always longer than two years, to ensure that the evaluation process is based on long-term results and takes into account the corresponding economic cycle. The long-term incentive in place (2023- 2027) is aligned with the company's strategic framework. The objectives are to promote the sustainability of the company for the creation of long-term value, as well as the creation of shareholder value and to strengthen the focus of the management team and the executive board on the achievement of business objectives.

• The shares to be delivered to the executive director in the framework of the above mentioned long-term incentive, in an amount equivalent to twice his annual fixed remuneration, are subject to a retention period of 3 years.

With regard to the balance between fixed and variable components of remuneration, it should be noted that the variable remuneration system is flexible and allows that in case of non-achievement of minimum performance levels, no variable remuneration is paid, and is therefore not guaranteed. The percentage of short- and long-term variable remuneration can be relevant if the maximum level of target achievement is reached. Moreover, measures that help to avoid excessive risk-taking and foster a culture of commitment to objectives include: (i) The corporate governance system, internal regulations and control and compliance systems, which set oversight mechanisms and checks and balances to prevent the concentration of decision-making power in areas that may involve a high degree of risk. (ii) The Annual Variable Remuneration is paid after the date of drafting and auditing the annual accounts and after determining the achievement degree of the objectives. (iii) The CEO's contract incorporates malus and clawback clauses. The metrics of the CEO's short- and long-term variable remuneration, which have been broken down in this report, are in line with the above.

As may be deduced from the foregoing, the mechanisms established in the Policy have been duly applied and fulfil their objective of aligning the remuneration of directors with the achievement of the Company's short- and long-term results and contribute to the long-term, sustainable performance of the Company.

B.4 Provide details of the result of the advisory vote of the General Shareholders' Meeting on the annual report on remuneration in the preceding period, indicating the number of votes against, if any:

	Number	% of the total
Votes cast	137,362,858	55.77

	Number	% of emitted
Votes against	278,513	0.20
Votes in favour	136,932,064	99.68
Blank votes		0.00
Abstentions	152,281	0.11

Remarks

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

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

Therefore, the fixed remuneration of the directors in their capacity as such for the 2024 financial year remains unchanged at €44,500, and the fixed remuneration for the Chairman of the board at €135,000.

The amount of the daily allowance for attending meetings of the Board and its committees in the 2024 financial year is maintained at the same amounts as for the previous fiscal year and are as follows:
Members of the Board: €2,020
Chairs of Committees: €4,050
Members of the Committees: €3,000
The Chairman of the Board and of the Executive Committee does not receive an attendance fee.

B.6 Explain how the salaries accrued and consolidated during the previous fiscal year by each of the executive directors for the performance of management duties have been determined and how they have varied with respect to the previous year.

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

The fixed remuneration of the Chief Executive Officer for their executive duties amounts to €750,000 in 2024 in accordance with the remuneration provided for in their service contract and the remuneration policy in force.

In addition, during the 2024 financial year, the chief executive officer received €135,000 corresponding to the fixed remuneration for his position as chairman of the board, as stated in the Policy.

The amount received by the CEO as chairman remained unchanged from the previous year.

However, with regard to the fixed remuneration received by the CEO for their executive functions in the 2024 financial year, i.e. €750,000, this has experienced a variation of 4.10% with respect to that of the year 2023, in which they received €720,421. This variation does not constitute an increase in such fixed remuneration for the performance of the executive duties of the chief executive officer in 2024, but is due, as explained in the previous year's report, to the coexistence of two remuneration policies in 2023, the second of which establishes a higher amount of fixed remuneration for the chief executive officer for his executive duties.

B.7 Explain the nature and main characteristics of the variable components of the remuneration systems accrued and consolidated in the previous fiscal year.

Specifically:

a) Identify each of the remuneration plans that determined the various variable remuneration accrued by each of the directors during the previous fiscal year, including information on their scope, date of approval, date of implementation, terms in case of consolidation, accrual periods and validity, criteria used to evaluate performance and how this has impacted on the determination of the variable amount accrued, as well as the measurement criteria used and the period necessary to be able to adequately measure all the conditions and criteria stipulated. The criteria and factors applied in terms of time required and methods to verify that the performance conditions or any other conditions to which the accrual and consolidation of each component of the variable remuneration was linked have been effectively met must be explained in detail.

b) In the case of share option plans or other financial instruments, the general characteristics of each plan shall include information about the conditions both for acquiring unconditional ownership (consolidation) and for exercising those options or financial instruments, including the price and term of exercise.

c) Each of the Directors and their types (Executive Directors, external Proprietary Directors, independent External Directors or other External Directors) who are beneficiaries of remuneration systems or plans that include variable remuneration.

d) Where applicable, information will be provided on the established periods of accrual, consolidation or deferral of payment of consolidated amounts that have been applied and/or the retention/non-disposition periods of shares or other financial instruments, if they exist.

Explain the short-term variable components of the remuneration systems.
The Directors do not receive any variable remuneration due to their status as such. In accordance with the provisions of the Policy and his service provision contract, the CEO receives a short-term variable remuneration determined by the Board of Directors, at the proposal of the CNR, depending on the degree of compliance with the Company's annual objectives and the CEO's performance. The CEO's service contract establishes that the board of directors may defer payment of all or part of his variable remuneration if circumstances or events (e.g. financial difficulties) make such deferral advisable. The annual objectives are quantitative and qualitative targets (business, financial, operational, environmental performance, etc.) predetermined by the Board of Directors. This way, the Board of Directors, at the proposal of the Appointments and Remuneration Committee, is responsible for approving the objectives at the beginning of each financial year and evaluating their fulfilment at the end of the year. The setting of the annual objectives of the Chief Executive Officer for the 2024 financial year was reported on favourably by the CNR at its meeting of 26 February 2024 and approved by the Board at its meeting of 29 February 2024, and the assessment of their level of compliance was reported favourably by the committee at its meeting of 22 January 2025 and approved by the Board of Directors at its meeting of 28 January 2025, following confirmation by the internal auditor. The targets set for 2024, their weighting, and the level of achievement were as follows: Group Ebitda: weight: 19.00% - achievement: 18.39% Additional E. on Energy Ebitda (€M) at marginal biomass cost (not including GDO): weight: 4.75% - achievement: 4.88% TAD production: weight 14.25% - achievement: 10.29% Neg. MWh Energy Sales Energy: weight 14.25% - achievement: 13.31% Additional Ebitda Sales of Special Products: weight 4.75% - achievement: 5.70% Pulp Cash Cost (€/Tad) (adjusted to PG Pix premium): weight: 14.25% - achievement: 0.00 % Cash Cost Biomass Plants Magnon (€/MWh) (NO GAS) - weight: 14.25% - achievement: 17.10% Total structure costs (including IFRS16 rents): weight 9.50% - achievement: 7.68% Minutes of odour Navia: weight 0.625%: - achievement: 0.75%

Minutes of odour Pontevedra weight: 0.625% - achievement: 0.54%

Reducing water consumption. Production-weighted average of two biofactories: weight 1.25% - achievement: 1.22%

Improvement of Ence's organisational climate (Corporate weight: 50% Ence, 50% DG): weight 1.25% - achievement: 0.00%
Frequency rate: Cellulose: weight 0.25% - achievement: 0.24%

Frequency rate: Energy independent plants: weight 0.25% - achievement: 0.17%

Frequency rate: biomass supply: weight 0.25% - achievement: 0.3%

Frequency rate: forestry procurement and strategy: weight 0.25% - achievement: 0.3%

Frequency rate: forest heritage (north and south): 0.25% - achievement: 0.3 %

As reported in the previous year's Remuneration Report, for the calculation of the amount resulting from the annual variable remuneration, the result of the quantitative objectives shall be multiplied by 0.80 and the result of the qualitative assessment shall be added. The achievement compliance scale consists of three levels: critical level, target level (100%), and maximum level (120%). The final amount is calculated taking into account the degree of compliance and the weight assigned to each objective, applying the procedure that the company has defined for this purpose and reviewed by the internal auditor.
In particular, the overall level of achievement of the objectives associated with the annual variable remuneration of the CEO in 2024 was 88.93%. A level of achievement of 80% corresponds to the quantitative objectives and 20% to the qualitative objective.

In relation to the latter, the overall management of the CEO in 2024 has been very positively assessed, highlighting the decisive leadership he has exercised over the team, his work capacity and the permanent search for alternatives in an uncertain environment, with special emphasis on those relating to the development of unique operational actions in the Pulp area and new businesses in the field of renewable energies. For all these reasons, a level of achievement of 120% of the qualitative objective has been proposed, and we thank him for his hard work and dedication.

Explain the long-term variable components of the remuneration systems.

The Directors do not receive any variable remuneration due to their status as such.

The incentive for Cycle II of the 2019-2023 Long-term Incentive Plan was paid in July 2024, following an assessment by the CNR at its meeting of 13 March 2024 of the degree to which the objectives of the second Cycle had been met. The level of compliance was 8.72%, where a cash payment of €52,974 and the delivery of 21,300 shares of the Company corresponded to the CEO, equivalent (at the date of delivery) to an amount of €72,889.

. The Annual General Meeting of Shareholders of 5 May 2023 approved the long-term Incentive Plan for financial years 2023 to 2027, as a monetary remuneration plan and delivery of the Company's shares of a multi-year nature (the “Plan”).

The Plan will have a duration of 5 years and will be divided into 3 overlapping annual cycles of 3 years each, independent of each other (i.e. with delivery of the actions corresponding to each cycle after 3 years from the start of each cycle).

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

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

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

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

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

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

In addition, there is an obligation for the CEO to hold a number of shares equivalent to 2 times his annual Fixed Remuneration during the 3-year term. Cycle II will correspond to the 3-year period between 2024 and 2026 (both included), with the target measurement period of Cycle II being between 1 January 2024 and 31 December 2026.

The determination of the long-term incentive for the second cycle (2024-2026) of the Plan will be based on the following metrics that are primarily associated with the creation of shareholder value:

- 40% of cumulative accounting EBITDA of the group over the 2024-2026 period.

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

- 30% Organisational environmental and climate objectives:

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

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

B.8 Indicate whether certain accrued variable components have been reduced or claimed back when, in the first case, payment of unconsolidated amounts have been deferred or, in the second case, consolidated and paid, on the basis of data whose inaccuracy has subsequently been proven manifestly inaccurate. Describe the amounts reduced (malus) or refunded by the application of the clawback clauses, why they were executed, and the years to which they relate.

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

B.9 Explain the main characteristics of long-term savings systems whose amount or annual equivalent cost is shown in the tables in Section C, including retirement and any other survival benefit, which are financed, either partially or totally, by the Company, whether internally or externally endowed, indicating the type of plan, if it is a defined contribution or benefit, the contingencies it covers, the conditions for consolidating the economic rights in favour of the Directors and their compatibility with any type of compensation for early termination or termination of the contractual relationship between the Company and the Director.

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

By virtue of his executive duties and in accordance with the service provision contract, the CEO is the beneficiary of a mixed social security system to cover the contingencies of retirement, death, and total, absolute, or severe permanent disability, as well as a defined social security system that is independent of the previous social security system. The aforementioned mixed social security system is a defined contribution system in which the CEO contributes 1% of his annual fixed remuneration and the Company contributes 5.25% of it. These defined contribution mixed savings insurance contract rights the savings component are compatible with any type of indemnity for early termination or termination of the contractual relationship between the company and the CEO.

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

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

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

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

In addition, as of 1 February 2016, a defined social security system was established in addition to the mixed social security system, as an incentive to remain with the Company. It is linked to an age of 62 or over, and the right to retirement insurance is introduced when the following conditions are met: (a) termination of the contract due to the resignation of the CEO in their position in accordance with the contractual clauses, except in case of termination due to change of control; and (b) such termination occurs at an age equal to or greater than 62 years. In 2024, the company has not made any contributions to the defined benefit scheme.

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

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

The amount of the chief executive officer's rights in 2024 for each type of policy is detailed in section C. As already indicated in the report for the previous financial year, these rights were consolidated in the 2023 financial year, as the chief executive officer has reached the age of 62 set in the contractual conditions, although there are conditions in both cases whose fulfilment could result in the loss of these rights as they are of a generic nature and the probability of their occurrence is not material.

B.10 Explain, if applicable, the indemnities or any other type of payment arising from early termination, whether at the will of the Company or of the Director, or from the termination of the contract, under the terms provided therein, accrued and/or received by the Directors during the previous financial year.

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

B.11 Indicate whether there have been any significant changes in the contracts of those exercising senior management functions as Executive Directors and, if so, explain them. Likewise, explain the main conditions of the new contracts signed with Executive Directors during the financial year, unless they have already been explained in section A.1.

There have been no modifications during the year.

B.12 Explain any supplementary remuneration accrued for Directors as consideration for services rendered other than those inherent to their position.

There has been no additional remuneration.

B.13 Explain any remuneration derived from the granting of advances, credits and guarantees, indicating the interest rate, its essential characteristics and any amounts returned, as well as the obligations assumed on account of them as collateral.

No loans, advances, or guarantees have been granted.

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

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

The CEO, for the performance of his executive duties, and in accordance with the service provision contract, is the beneficiary of a company car, family medical insurance with the option of a medical check-up or reimbursement, and mixed life and accident savings insurance. In relation to the life and accident insurance, the CEO contributes 50% of the cost of the premium (with a limit of 1.125% of the annual Fixed Remuneration) and the company contributes 50% of the premium plus the difference in cost in the event that the CEO's contribution exceeds the aforementioned limit, the risks covered by the insurance being the following: retirement, total permanent disability expressly declared by the competent administrative or judicial body, permanent absolute incapacity declared expressly by the competent administrative or judicial body, severe disability declared expressly by the competent administrative or judicial body, and death. The insured capital is equivalent to 35 monthly payments of the fixed remuneration of the CEO or, in the event that contingencies result from an accident, the capital received would be equivalent to 70 of these monthly payments. The detail of the CEO's remuneration for these items in 2024 is included in section C.1.

B.15 Explain the remuneration accrued by the Director by virtue of payments made by the listed company to a third party in which the Director provides services, when said payments are intended to remunerate the services of the latter in the company.

Not applicable

B.16 Explain and provide details of the amounts accrued during the year in respect of any other remuneration item other than those listed above, whatever its nature or the group entity paying it, including all benefits in any form, such as when it is considered a related-party transaction or, in particular, when it significantly affects the true and fair view of the total remuneration accrued by the director, explaining the amount granted or pending payment, the nature of the compensation received and the reasons why it would have been considered, where appropriate, that it does not constitute remuneration to the director in their capacity as such or in consideration for the performance of their executive duties, and whether or not it has been considered appropriate to include it among the amounts accrued in the "other items" section of section C.

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

C DETAIL OF INDIVIDUAL REMUNERATION CORRESPONDING TO EACH OF THE DIRECTORS

Name	Type	Accrual period 2024 financial year
Mr IGNACIO DE COLMENARES BRUNET	Chairperson	From 01/01/2024 to 31/12/2024
Ms ROSALÍA GIL-ALBARELLOS MARCOS	Independent Director	From 01/01/2024 to 31/12/2024
Mr JOSÉ GUILLERMO ZUBÍA GUINEA	Other External Director	From 01/01/2024 to 31/12/2024
Ms CARMEN ALICIA AQUERRETA FERRAZ	Independent Director	From 01/01/2024 to 31/12/2024
Ms IRENE HERNANDEZ ALVAREZ	Independent Director	From 01/01/2024 to 31/12/2024
Mr FERNANDO ABRIL-MARTORELL HERNÁNDEZ	Other External Director	From 01/01/2024 to 31/12/2024
Ms ROSA MARÍA GARCÍA PIÑEIRO	Independent Director	From 01/01/2024 to 31/12/2024
Mr ANGEL AGUDO VALENCIANO	Proprietary Director	From 01/01/2024 to 31/12/2024
Mr JAVIER ARREGUI ABENDIVAR	Proprietary Director	From 01/01/2024 to 31/12/2024
Mr GORKA ARREGUI ABENDIVAR	Proprietary Director	From 01/01/2024 to 31/12/2024
Mr ÓSCAR ARREGUI ABENDIVAR	Proprietary Director	From 01/01/2024 to 31/12/2024
Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	Proprietary Director	From 01/01/2024 to 31/12/2024
Ms MARÍA PAZ ROBINA ROSAT	Independent Director	From 01/01/2024 to 31/12/2024

C.1 Complete the following tables regarding the individual remuneration of each Director (including remuneration for the performance of executive duties) earned during the financial year.

a) Remuneration of the company covered by this report:

i) Remuneration earned in cash (in thousands of €)

Name	Fixed remuneration	Allowances	Remuneration for membership on Board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total for the 2024 financial year	Total for the 2023 financial year
Mr IGNACIO DE COLMENARES BRUNET	135			750	667	53			1,605	1,370
Ms ROSALÍA GIL-ALBARELLOS MARCOS	44	22	30						96	97
Mr JOSÉ GUILLERMO ZUBÍA GUINEA	44	22	42						108	103
Ms CARMEN ALICIA AQUERRETA FERRAZ	45	22	26						93	91
Ms IRENE HERNANDEZ ALVAREZ	44	22	59						125	126
Mr FERNANDO ABRIL-	45	18	33						96	90

MARTORELL HERNÁNDEZ										
Ms ROSA MARÍA GARCÍA PIÑEIRO	44	22	41						107	111
Mr ANGEL AGUDO VALENCIANO	45	20	15						80	82
Mr JAVIER ARREGUI ABENDIVAR	44	22	36						102	106
Mr GORKA ARREGUI ABENDIVAR	45	22	36						103	94
Mr ÓSCAR ARREGUI ABENDIVAR	44	22	18						84	79
Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	45	22	21						88	74
Ms MARÍA PAZ ROBINA ROSAT	45	22	35						102	102

Remarks
The breakdown of the amount indicated for Ignacio de Colmenares Brunet in the "Salary" column is detailed in section B.6. of this report.

ii) Table of movements in share-based remuneration systems and gross profit on consolidated financial instruments or shares

Name	Designation of the Plan	Financial instruments at the start of the 2024 financial year		Financial instruments granted during the 2024 financial year		Consolidated financial instruments during the financial year				Expired and unexercised instruments	Financial instruments at the end of the 2024 financial year	
		No of instrument	No. of Equivalent shares	No of instrument	No. of Equivalent shares	No of instrument	N° of Equivalent/ consolidated shares	Price of consolidated shares	Gross profit from consolidated shares or financial instruments (thousands of €)	No. instruments	No of instrument	No. of Equivalent shares
Mr IGNACIO DE COLMENARES BRUNET	2019-2023 Long-Term Incentive Plan (Cycle II)	244	244	21	21	21	21	3	73			
	2023-2027 Long-Term Incentive Plan (Cycle I)	694	694	694	694	694			0.0		694	694
	2023-2027 Long-Term Incentive Plan (Cycle II)	262	262	262	262	262			0.0		262	262

Remarks

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

The figure of 262 (thousand €) is the maximum number of shares that correspond to Mr Colmenares in Cycle II (2024-2026) in the case of reaching the target level (100%) of the 2023-2027 Long-Term Incentive Plan.
In a scenario of achievement beyond targets, the maximum number of shares to be delivered would amount to 150% of the previous number.

iii) Long-term saving schemes

	Remuneration for the consolidation of rights to savings systems
Mr IGNACIO DE COLMENARES BRUNET	39

Name	Company's contribution for the period (thousands of €)				Amount of the accumulated funds (thousands of €)			
	Savings systems with consolidated economic rights		Savings systems with non-consolidated economic rights		2024 financial year		2023 financial year	
	2024 financial year	2023 financial year	2024 financial year	Financial year 2023	Systems with consolidated economical rights	Systems with non-consolidated economic rights	Systems with consolidated economical rights	Systems with non-consolidated economic rights
Mr IGNACIO DE COLMENARES BRUNET	39	258	0.0		2,207	-	2,153	-

Remarks
The data reported in the table refer to the two long-term savings schemes for the Chairman and CEO reported throughout this report. The breakdown is as follows: The Company's contribution to the mixed saving system defined in 2024 was €39,375.00 and in 2023 it was €37,822.09. The amount of funds accumulated in 2024 under this scheme is €698,663.00. The Company's contribution to the benefit system defined in 2024 was €0.00 and in 2023 it was €220,627.59. The amount of funds accumulated in 2024 under this scheme is €1,508,358. For the purposes of clarification, the amounts accumulated in the fund are the sum of the amount contributed adjusted by the return obtained by the fund during the financial year. It is also indicated that the vesting has taken place during the year 2023, as the chief executive officer has reached the age of 62, as explained in sections A and B above of this report.

iv) Details of other items

Name	Item	Remuneration amount
Mr IGNACIO DE COLMENARES BRUNET	Accident insurance, medical insurance, vehicle and car parking	14
Mr IGNACIO DE COLMENARES BRUNET	Life insurance premiums	9
Ms ROSALÍA GIL-ALBARELLOS MARCOS	Accident insurance	1
Mr JOSÉ GUILLERMO ZUBÍA GUINEA	Accident insurance	2
Ms CARMEN AQUERRETA FERRAZ	Accident insurance	1
Ms IRENE HERNANDEZ ALVAREZ	Accident insurance	1

Mr FERNANDO ABRIL-MARTORELL HERNÁNDEZ	Accident insurance and medical examination	3
Ms ROSA MARÍA GARCÍA PIÑEIRO	Accident insurance	1
Mr ANGEL AGUDO VALENCIANO	Accident insurance	0
Mr JAVIER ARREGUI ABENDIVAR	Accident insurance and medical examination	2
Mr GORKA ARREGUI ABENDIVAR	Accident insurance	1
Mr OSCAR ARREGUI ABENDIVAR	Accident insurance	1
Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	Accident insurance and medical examination	2
Ms MARÍA PAZ ROBINA ROSAT	Accident insurance and medical examination	3

Remarks

b) Remuneration of directors of listed companies for their membership of the administrative bodies of their subsidiaries:

i) Remuneration earned in cash (in thousands of €)

Name	Fixed remuneration	Allowances	Remuneration for membership on Board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total for the 2024 financial year	Total for the 2023 financial year
Mr IGNACIO DE COLMENARES BRUNET	-	-	-	-	-	-	-	-	-	-

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

ii) Table of movements in share-based remuneration systems and gross profit on consolidated financial instruments or shares

Name	Designation of the Plan	Financial instruments at the start of the 2024 financial year		Financial instruments granted during the 2023 financial year		Consolidated financial instruments during the financial year				Expired and unexercised instruments	Financial instruments at the end of the 2024 financial year	
		No of instrument	No. of Equivalent shares	No of instrument	No. of Equivalent shares	No of instrument	N° Equivalent/consolidated shares	Price of consolidated shares	Gross profit from consolidated shares or financial instruments (thousands of €)	No. instruments	Instrument No	No. of Equivalent shares
No data												

Remarks

iii) Long-term saving schemes

	Remuneration for consolidated rights to savings systems
No data	

Name	Company's contribution for the period (thousands of €)				Amount of the accumulated funds (thousands of €)			
	Savings systems with consolidated economic rights		Savings systems with non-consolidated economic rights		2024 financial year		2023 financial year	
	2024 financial year	2023 financial year	2024 financial year	Financial year 2023	Systems with consolidated economical rights	Systems with non-consolidated economic rights	Systems with consolidated economical rights	Systems with non-consolidated economic rights
No data								

Remarks

iv) Details of other items

Name	Item	Remuneration amount
No data		

Remarks

c) Summary of remuneration (in thousands of €):

The summary must include the amounts corresponding to all the types of remuneration covered in this report which have been earned by the Director, in thousands of euros.

	Remuneration earned at the Company					Remuneration earned at companies of the group					
Name	Total remuneration in cash	Gross profit from consolidated shares or financial instruments	Remuneration for savings systems	Remuneration for other items	Total from company for the 2024 period	Total remuneration in cash	Gross profit from consolidated shares or financial instruments	Remuneration for savings systems	Remuneration for other items	Total from group for the 2024 period	Total from company+ group for the 2023 period
Mr IGNACIO DE COLMENARES BRUNET	1,605	73	39	23	1740						1651
Ms ROSALÍA GIL-ALBARELLOS MARCOS	96	-		1	97						99
Mr JOSÉ GUILLERMO ZUBIA GUINEA	108	-		2	110						105
Ms CARMEN ALICIA AQUERRETA FERRAZ	93	-		1	94						92
Ms IRENE HERNÁNDEZ ALVAREZ	125	-		1	126						127
Mr FERNANDO ABRIL-MARTORELL HERNÁNDEZ	96	-		3	99						94
Ms ROSA MARÍA GARCÍA PIÑEIRO	107	-		1	108						114
Mr ANGEL AGUDO VALENCIANO	80	-		0	80						84
Mr JAVIER ARREGUI ABENDIVAR	102	-		2	104						109
Mr GORKA ARREGUI ABENDIVAR	103	-		1	104						95
Mr ÓSCAR ARREGUI ABENDIVAR	84	-		1	85						80
Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	88	-		2	90						77
Ms MARÍA PAZ ROBINA ROSAT	102	-		3	105						105
Total:	2789		39	41	2,942						2,610

Remarks

C.2 Indicate the changes over the last five years in the amount and percentage change in the remuneration earned by each of the listed company's directors during the year, the consolidated results of the company and the average remuneration on a full-time equivalent basis of the employees of the company and its subsidiaries who are not directors of the listed company.

	Total amounts accrued and annual % change								
	2024 financial year	% change 2024/2023	2023 financial year	% change 2023/2022	2022 financial year	% change 2022/2021	2021 financial year	% change 2021/2020	2020 financial year
Executive Directors									
Mr IGNACIO DE COLMENARES BRUNET	1,740	5.39%	1,651	16.76	1,414	112.31	666	-47.10	1,259
External directors									
Mr ANGEL AGUDO VALENCIANO	80	-3.61	83	25.76	66	-	0	-	0
Mr FERNANDO ABRIL-MARTORELL HERNÁNDEZ	99	6.45	93	-13.08	107	-17.69	130	9.24	119
Mr JOSÉ GUILLERMO ZUBÍA GUINEA	110	4.76	105	-11.02	118	-22.37	152	2.70	148
Ms CARMEN ALICIA AQUERRETA FERRAZ	94	3.30	91	31.88	69	-	0	-	0
Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	90	18.42	76	-19.15	94	-14.55	110	n.s	6
Ms ROSA MARÍA GARCÍA PIÑEIRO	108	-5.26	114	0.00	114	-1.72	116	-1.69	118
Ms IRENE HERNANDEZ ALVAREZ	126	-0.79	127	-5.22	134	-6.94	144	10.77	130
Ms ROSALÍA GIL-ALBARELLOS MARCOS	97	-2.02	99	28.57	77	-	0	-	0
Mr GORKA ARREGUI ABENDIVAR	104	9.57	94	-4.08	98	-6.67	105	-	0
Mr JAVIER ARREGUI ABENDIVAR	104	-3.70	108	-1.82	110	37.50	80	-	0
Mr OSCAR ARREGUI ABENDIVAR	85	7.59	79	-19.39	98	-6.67	105	-	0
Ms MARÍA PAZ ROBINA ROSAT	105	0%	105	-4.55	110	54.93	71	-	0
Consolidated results of the company									
	32		-33	-	254	-	-193	-421.62	-37
Average employee remuneration									
	70	6.06	66	4.76	63	10.53	57	-8.06	62

Remarks

D OTHER RELEVANT INFORMATION

Briefly provide details of any other relevant aspects of Director' remuneration which are not included in the other sections of this report, but which must be covered if the report is to contain the most comprehensive and well-founded information on the company's pay structure and practices with regard to its Directors.

This annual report on remuneration has been approved by the company's Board of Directors, at its session of 27/02/2025.

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

Yes ☐ No x☐

Name or corporate name of the members of the board of directors who have not voted in favour of the approval of this report	Reasons (against, abstention, non-attendance)	Explain the reasons