

## **APPENDIX II:**

### **Models and statistics of the Annual Corporate Governance Report of Circular 3/2021, of the CNMV**



## ANNEX I MODEL

### ANNUAL CORPORATE GOVERNANCE REPORT FOR 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 CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

### **A OWNERSHIP STRUCTURE**

A.1 Complete the following table on the share capital and attributed voting rights, including, where applicable, those corresponding to shares with loyalty voting rights, as at the end of the financial year:

State whether the company's articles of association contain a provision for double loyalty voting:

No ☒

Yes ☐ Date of board approval

Minimum period of uninterrupted tenure required by the articles of association

State whether the company has attributed loyalty votes:

No ☒

Yes ☐

Date of last change in share capital	Share capital	Number of shares	Number of voting rights (not including additional votes attributed on the basis of loyalty)	Number of additional voting rights attributed corresponding to loyalty voting shares	Total number of voting rights, including additional votes attributed on the basis of loyalty
11 May 2017	221,645,250.00	246,272,500	246,272,500		

Number of shares registered in the special share register pending the lapse of the loyalty period

Remarks

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

Yes ☐

No ☒

Type	Number of shares	Nominal unit	Unit number of voting rights	Rights and obligations conferred

Remarks

A.2 List your company's direct and indirect majority shareholdings at year end, including Directors with significant holdings:

Shareholder name or company name	% voting rights attributed to shares (including loyalty votes)			% of voting rights through financial instruments		% of total voting rights	Of the total number of voting rights attached to the shares, state, if applicable, the additional votes attached to the loyalty voting shares	
	Direct	Indirect		Direct	Indirect		Direct	Indirect
Mr JUAN LUIS ARREGUI CIARSOLO	0.20	29.24		0.00	0.00	29.44		
RETOS OPERATIVOS XXI, S.L.	29.24	0.00		0.00	0.00	29.24		
TURINA 2000, S.L.	0.00	29.24		0.00	0.00	29.24		
ASUA INVERSIONES, S.L.	10.00	0.00		0.00	0.00	10.00		
Mr VÍCTOR URRUTIA VALLEJO	0.00	10.00		0.00	0.00	10.00		
MENDIBEA 2002, S.L.	6.38	0.00		0.00	0.00	6.38		
Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	0.00	6.38		0.00	0.00	6.38		
ATLAS GP GLOBAL HOLDING LLC		4.89				4.89		
PROMETHEUS IV LLC	4.89					4.89		
MILLENNIUM GROUP MANAGEMENT LLC					1.06	1.06		
MILLENNIUM PARTNERS, L.P.				1.06		1.06		

Remarks

Details of the indirect shareholding:

Name or company name of the indirect owner	Name or company name of the direct owner	% voting rights attributed to shares (including loyalty votes)	% of voting rights through financial instruments	% of total voting rights	Of the total number of voting rights attached to the shares, state, if applicable, the additional votes attached to the loyalty voting shares	
TURINA 2000, S.L.	RETOS OPERATIVOS XXI, S.L.	29.24	0.00	29.24		
Mr JUAN LUIS ARREGUI CIARSOLO	RETOS OPERATIVOS XXI, S.L.	29.24	0.00	29.24		
Mr VÍCTOR URRUTIA VALLEJO	ASÚA INVERSIONES, S.L.	10.00	0.00	10.00		

Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	MENDIBEA 2002, S.L.	6.38	0.00	6.38		
ATLAS GP GLOBAL HOLDING LLC	PROMETHEUS IV LLC	4.89	0.00	4.89		
MILLENNIUM GROUP MANAGEMENT LLC	MILLENNIUM PARTNERS, L.P	1.06		1.06		

Remarks

Indicate the most significant transactions in the shareholding structure during the year:

Most significant movements
<p>Increase of 3.76% in the shareholding of Asúa Inversiones, S.L. to 10% at year-end</p> <p>Entry of the company Prometheus IV LLC with 4.89% at year-end</p> <p>Entry of Millennium Partners, L.P. with a 1.06% stake at year-end</p>

A.3 Provide details of the shareholdings, by whatever percentage at year-end of the members of the board of directors who hold voting rights attributed to shares in the company or through financial instruments, excluding the directors identified in section A.2 above:

Name or company name of the Director	% voting rights attributed to shares (including loyalty votes)		% of voting rights through financial instruments		% of total voting rights	Of the total % of voting rights attributed to the shares, state, if applicable, the % of additional votes attributed to the loyalty voting shares			
	Direct	Indirect	Direct	Indirect		Direct	Indirect		
Mr FERNANDO ABRIL-MARTORELL HERNÁNDEZ	0.37				0.37				
Mr IGNACIO DE COLMENARES BRUNET	0.16				0.16				
Mr JOSE GUILLERMO ZUBIA GUINEA	0.02				0.02				
Mr JAVIER ARREGUI ABENDIVAR	0.01				0.01				
Ms IRENE HERNÁNDEZ ÁLVAREZ	0.01				0.01				

Mr. ANGEL AGUDO VALENCIANO	0.06				0.06				
<b>Total</b>	0.63				0.63				

<b>% of total of voting rights held by members of the Board of Directors</b>	0.63
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<b>Remarks</b>

Details of the indirect shareholding:

Name or company name of the Director	Name or company name of the direct owner	% voting rights attributed to shares (including loyalty votes)	% of voting rights through financial instruments	% of total voting rights	Of the total % of voting rights attributed to the shares, state, if applicable, the % of additional votes attributed to the loyalty voting shares

<b>Remarks</b>

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

<b>% of total voting rights represented by the Board of Directors</b>	46.45
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<b>Remarks</b>

A.4 Indicate, if applicable, the relationships of a family, commercial, contractual or corporate nature that exist among the majority shareholders, insofar as they are known by the company, unless they are of limited relevance or derived from ordinary business operations or trade, except those reported in section A.6:

Name or company name related	Type of link	Brief description:
No data		

A.5 Indicate, if applicable, the relationships of a commercial, contractual or corporate nature that exist among the majority shareholders, and the company and/or its group, unless they are of limited relevance or derived from ordinary business operations or trade:

Name or company name related	Type of link	Brief description:
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No data		
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- A.6 Describe the relationships, unless they are of limited relevance to both parties, that exist between significant shareholders or shareholders represented on the Board and the Directors, or their representatives, in the case of directors who are legal persons.

Explain, if applicable, how significant shareholders are represented. Specifically, those directors who have been appointed on behalf of significant shareholders, those whose appointment has been promoted by significant shareholders, or who are linked to significant shareholders and/or entities in their group, with a specification of the nature of such relationships, shall be indicated. In particular, mention shall be made, where appropriate, of the existence, identity and position of members of the board, or representatives of directors, of the listed company, who are, in turn, members of the administrative body, or their representatives, in companies which hold significant shareholdings in the listed company or in entities of the group of such significant shareholders.

Name or corporate name of the linked director or representative	Name or company name of the linked majority shareholder:	Company name of the group company of the significant shareholder	Description of the link:
Mr JAVIER ARREGUI ABENDIVAR	RETOS OPERATIVOS XXI, S.L.	RETOS OPERATIVOS XXI, S.L.	DIRECTOR
Mr OSCAR ARREGUI ABENDIVAR	RETOS OPERATIVOS XXI, S.L.	RETOS OPERATIVOS XXI, S.L.	DIRECTOR
Mr GORKA ARREGUI ABENDIVAR	RETOS OPERATIVOS XXI, S.L.	RETOS OPERATIVOS XXI, S.L.	DIRECTOR
Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	MENDIBEA 2002, S.L.	MENDIBEA 2002, S.L.	SOLE ADMINISTRATOR
Mr ANGEL AGUDO VALENCIANO	ASUA INVERSIONES, S.L.	ASUA INVERSIONES, S.L.	DIRECTOR

Remarks

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- A.7 Indicate whether any agreements among shareholders have been communicated to the company that affect it, as established in articles 530 and 531 of the Capital Companies Act. If so, describe them briefly and list the shareholders bound by the agreement:

Yes ☐

No ☒

Participants in the parasocial agreement	% of capital share affected	Brief description of the agreement	Expiration date of the agreement, if any

Remarks



Indicate whether the company is aware of the existence of concerted activities among its shareholders. If there are, describe them briefly:

Yes ☐

No ☒

Participants in the concerted action	% of capital share affected	Brief description of the agreement	Agreement expiration date, if any

Remarks

If there has been any modification or rupture of such pacts or agreements or concerted activities during the year, expressly indicate:

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- A.8 Indicate whether there is any natural person or legal entity that exercises or may exercise control over the company pursuant to article 5 of the Stock Market Act. If so, please identify it:

Yes ☐

No ☒

Name or company name

Remarks

- A.9 Complete the following tables about the company's treasury stock:

At year end:

Number of direct shares	Number of indirect shares (*)	Total % of share capital
3,605,432		1.46

Remarks

(\*) Through:

Name or company name of the direct owner of the share	Number of direct shares
<b>Total:</b>	

Remarks

Explain the significant variations during the year:

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

**A.10 Detail the terms and deadline of the current mandate from the shareholders' meeting to the Board of Directors to issue, repurchase or transfer treasury shares.**

<p>The Annual General Meeting of Shareholders held on 31 March 2022 authorised the company to acquire its own shares, by purchase or by any other valuable consideration. This acquisition may be made at any time and as often as it is deemed appropriate, either directly or through subsidiaries of which it is the parent company.</p> <p>The minimum acquisition price or consideration shall be equivalent to the nominal value of the treasury shares acquired, and the maximum acquisition price or consideration shall be the equivalent to the list value of the treasury shares acquired in an official secondary market at the time of acquisition.</p> <p>This authorisation was granted for a term of five years from the date of the aforementioned Meeting, and was subject to the limitation that at no time shall the nominal value of the treasury shares acquired in use of the authorisation, added to that of those already in possession of Ence Energía y Celulosa, S.A. and any of its controlled subsidiaries exceed the maximum amount allowed by law at any time.</p> <p>The Board of Directors was also authorised to carry out the derivative acquisition of Ence Energía y Celulosa, S.A. shares under the terms set forth and so that it could allocate, in whole or in part, the treasury shares already acquired and those acquired by virtue of the previous authorisation to disposal or amortisation, or implement remuneration systems consisting of or the purpose of delivering shares or option rights of Ence Energía y Celulosa, S.A. shares to workers and executives pursuant to the provisions of section 1.a) in Article 146 of the Capital Companies Act, as well as dividend reinvestment plans or similar shareholder remuneration instruments.</p>
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**A.11 Estimated floating capital**

	%
Estimated floating capital	46.14

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

**A.12 Indicate whether there are any restrictions (statutory, legislative or of any kind) on the transferability of securities and/or any restrictions on voting rights. In particular, the existence of any type of restrictions that may hinder the taking of control of the company by means of the acquisition of its shares in the market, as well as those systems of prior authorisation or communication that, regarding the acquisitions or transfers of the company's financial instruments, are applicable to it by sectorial regulations, shall be notified.**

Yes ☒

No ☐

Restrictions Description
Royal Decree-Laws 8/2020, 11/2020, and 34/2020 established certain restrictions on foreign investment - including intra-Community investors - which affect ENCE ENERGÍA Y CELULOSA S.A., both as a listed company and because it operates in a sector subject to investment control.

Likewise, Royal Decree-Law 20/2022, of 27 December, extending certain economic measures to support the recovery, Article 62 of which modified the sole transitory provision of RDL 34/2020 in the sense of extending the authorisation regime for foreign direct investment by residents of other European Union (EU) and European Free Trade Association (EFTA) countries until 31 December 2024.

Royal Decree-Law 1/2025 of 28 January has extended until 31 December 2026 the transitional regime for foreign investments in Spain by EU and EFTA residents.

A.13 Indicate whether the General Shareholders' Meeting has agreed to adopt neutralisation measures against a public takeover bid pursuant to Law 6/2007.

Yes ☐

No ☒

If applicable, explain the approved measures and the terms under which the restrictions will be ineffective:

Explain the approved measures and the terms under which the restrictions will be ineffective

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A.14 Indicate whether the company has issued securities that are not traded on an EU community market.

Yes ☐

No ☐

Where appropriate, indicate the different types of shares and, for each type, the rights and obligations conferred.

Indicate the different types of shares
On 9 October 2023, the Company incorporated a promissory note issue programme under the name "ENCE 2023 Sustainable Promissory Note Programme" in the multilateral trading system "Mercado Alternativo de Renta Fija (MARF)", with a maximum outstanding balance of two hundred million (200,000,000) euros and with maturities of up to 24 months. On 11 October 2024, the Company incorporated the renewal of a promissory note issue programme under the name "ENCE 2024 Sustainable Promissory Note Programme" in the multilateral trading system "Mercado Alternativo de Renta Fija (MARF)", with a maximum outstanding balance of two hundred million (200,000,000) euros and with maturities of up to 24 months.

## **B** GENERAL SHAREHOLDERS' MEETING

B.1 Indicate and, if applicable, detail, whether there are differences with the minimum regime established in the Capital Companies Act (Ley de Sociedades de Capital (LSC)) with respect to the quorum for constituting the General Shareholders' Meeting.

Yes ☐

No ☒

	% of quorum other than that established in art. 193 LSC for general cases	% of quorum other than that established in art. 194 LSC for the special cases of art. 194 LSC
Quorum required in the 1st call		
Quorum required in the 2nd call		

Description of the differences

B.2 Indicate and, if applicable, detail, whether there are differences with the minimum regime established in the Capital Companies Act (LSC) for adopting corporate agreements.

Yes ☐

No ☒

Describe how it differs from the regime provided in the LSC.

	<b>Reinforced majority other than that established in Article 201.2 LSC for the cases of 194.1 LSC</b>	<b>Other reinforced majority cases</b>
<b>Established % by the entity for adopting agreements</b>		

<b>Describe the differences</b>

- B.3 Indicate the rules applicable to the modification of the company's articles of association. In particular, the majorities required for modifying the articles of association, as well as, if applicable, the rules for protecting the rights of the partners in modifying the articles of association must be communicated.

The amendment of the Ence Energía y Celulosa, S.A. Articles of Association is governed by the provisions of the Capital Companies Act and its own Articles of Association, which are established in the legal regime.

Thus, in the first call, the concurrence of shareholders present or represented who have at least fifty percent of the subscribed capital with the right to vote is required to be able to ratify any amendment to the articles of association. On second call, the attendance of twenty-five per cent of said capital shall be sufficient.

Once the meeting has been validly constituted, in order to approve any amendment to the articles of association, a favourable vote of half plus one of the shares with voting rights present or represented, or two thirds, is required when in the second call the attendance quorum does not reach fifty percent.

- B.4 Indicate the attendance data in the General Shareholders' Meeting held in the year to which this report refers and the two meetings of the previous year:

<b>Attendance data</b>					
<b>General Shareholders' Meeting date</b>	<b>% physical attendance</b>	<b>% in representation</b>	<b>% absentee ballot</b>		<b>Total</b>
			<b>Electronic ballot</b>	<b>Other</b>	
31 March 2022	37.78	17.38	0.01	1.84	57.01
<b>Of Floating Capital:</b>	0.28	10.09	0.01	1.84	12.22
05 May 2023	37.74	15.78	0.03	0.38	53.93
<b>Of Floating Capital:</b>	0.18	8.49	0.03	0.38	9.08
04 April 2024	37.90	18.20	0.03	1.07	57.20
<b>Of Floating Capital:</b>	0.24	10.92	0.03	1.07	12.25

<b>Remarks</b>
The 2022, 2023 and 2024 general meetings were held in-person, thus the information on "physical presence" refers to both physical presence of shareholders and virtual presence through duly accredited remote attendance during the holding of the Annual General Meeting of Shareholders through the platform made available to the shareholders by the Company.

- B.5 Indicate whether at the general meetings held during the year there were any items on the agenda which, for any reason, were not approved by the shareholders.

Yes ☐

No ☒

<b>Agenda items not adopted</b>	<b>% votes against (*)</b>
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(\*) If the non-approval of the item is for reasons other than votes against, it shall be explained in the text part and in the column "% votes against", "n/a" shall be written.

- B.6 Indicate whether there are any restrictions in the articles of association that establish a minimum number of shares required to attend the General Shareholders' Meeting or to vote remotely:

Yes ☐

No ☒

Number of shares required to attend the general meeting	
Number of shares required to vote remotely	

Remarks

- B.7 Indicate whether certain decisions, other than those established by Law, which involve the acquisition, disposal, contribution to another company of essential assets or other similar corporate operations were established. These must be submitted for the approval of the shareholders' general meeting.

Yes ☐

No ☒

Explanation of decisions to be submitted to the Board, other than those established by law

- B.8 Indicate the address and access method to the company's website where the information on corporate governance and other information about the General Shareholders' Meeting that must be made available to shareholders through the Company's website can be found.

On the Company's website, [www.ence.es](http://www.ence.es), click on Investors and Corporate Governance.

## **C STRUCTURE OF THE COMPANY'S ADMINISTRATION**

### **C.1 Board of Directors**

- C.1.1 Maximum and minimum number of directors provided for in the Articles of Association and the number established by the General Meeting:

Maximum number of Directors	16
Minimum number of Directors	8
Number of Directors established by the shareholders' meeting	13

Remarks

C.1.2 Complete the following table with the Directors:

Name or company name of the Director	Representative	Director category	Position on the board	Date of first appointment	Date of last appointment	Election procedure
Ms IRENE HERNANDEZ ALVAREZ		Independent	Coordinating Advisor	28 March 2019	31 March 2022	Annual General Meeting of Shareholders Agreement
Mr IGNACIO DE COLMENARES BRUNET		Executive	President and Chief Executive Officer	22 December 2010	05 May 2023	Annual General Meeting of Shareholders Agreement
Mr FERNANDO ABRIL-MARTORELL HERNÁNDEZ		Other external member	Director	30 July 2007	31 March 2022	ANNUAL GENERAL MEETING OF SHAREHOLDERS AGREEMENT
Ms MARÍA PAZ ROBINA ROSAT		Independent	Director	26 March 2021	04 April 2024	ANNUAL GENERAL MEETING OF SHAREHOLDERS AGREEMENT
MR JOSE GUILLERMO ZUBIA GUINEA		Other external member	Director	30 March 2007	31 March 2022	ANNUAL GENERAL MEETING OF SHAREHOLDERS AGREEMENT
Mr JAVIER ARREGUI ABENDIVAR		Proprietary Director	Director	26 March 2021	04 April 2024	ANNUAL GENERAL MEETING OF SHAREHOLDERS AGREEMENT
Ms ROSALÍA GIL-ALBARELLOS MARCOS		Independent	Director	31 March 2022	31 March 2022	ANNUAL GENERAL MEETING OF SHAREHOLDERS AGREEMENT

Mr OSCAR ARREGUI ABENDIVAR		Proprietary Director	Director	26 March 2021	04 April 2024	ANNUAL GENERAL MEETING OF SHAREHOLD ERS AGREEMENT
Ms CARMEN AQUERRETA FERRAZ		Independent	DIRECTOR	31 March 2022	31 March 2022	ANNUAL GENERAL MEETING OF SHAREHOLD ERS AGREEMENT
Ms ROSA MARÍA GARCÍA PIÑEIRO		Independent	DIRECTOR	22 March 2018	04 April 2024	ANNUAL GENERAL MEETING OF SHAREHOLD ERS AGREEMENT
Mr GORKA ARREGUI ABENDIVAR		Proprietary Director	DIRECTOR	26 March 2021	04 April 2024	ANNUAL GENERAL MEETING OF SHAREHOLD ERS AGREEMENT
Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL		Proprietary Director	DIRECTOR	20 December 2020	04 April 2024	ANNUAL GENERAL MEETING OF SHAREHOLD ERS AGREEMENT
Mr ANGEL AGUDO VALENCIANO		Proprietary Director	DIRECTOR	31 March 2022	31 March 2022	ANNUAL GENERAL MEETING OF SHAREHOLD ERS AGREEMENT

<b>Total number of Directors</b>	13
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Indicate the terminations, either by resignation or by agreement of the general meeting, have occurred on the Board of Directors during the reporting period:

Name or company name of the Director	Director category at the time of termination	Date of last appointment	Termination date	Specialised committees of which they were a member	Indicate whether the termination took place before the end of the term
No data					




<b>Cause of the termination, if before the end of the term and other remarks; information on whether the Director has sent a letter to the other members of the board and, in the case of terminations of non-executive Directors, explanation or opinion of the director who has been terminated by the general meeting</b>

C.1.3 Complete the following tables on the Directors and their different categories:

#### **EXECUTIVE DIRECTORS**

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

<b>Total number of Executive Directors</b>	1
<b>% of the total board</b>	7.69

<b>Remarks</b>

#### **EXTERNAL PROPRIETARY DIRECTORS**

Name or company name of the Director	Name or company name of the majority shareholder who represents or whose nomination has been proposed	Profile
Mr JAVIER ARREGUI ABENDIVAR	RETOS OPERATIVOS XXX, S.L.	(Born in 1970) He has an undergraduate degree in Business Administration from the University of Saint Louis (Missouri, USA) and a postgraduate degree in Finance from San Andrés University (Buenos Aires, Argentina). He has occupied different positions of responsibility within Grupo Seche, and he has been Board of Directors member with Cesa, Grupo Guascor, and Foresta Capital, among others. Before his appointment as the natural person representing TURINA 2000, S.L., the office he held in Ence was Managing Director of international development and forestry assets, forming part of the company's management committee.
Mr ÓSCAR ARREGUI ABENDIVAR	RETOS OPERATIVOS XXXI, S.L.	(Born 1973) He holds a degree in industrial engineering (specialising in electricity) from the Higher Technical School of Bilbao and a Master's in Business Administration (MBA) from the IESE Business School. He has held several positions of responsibility within the Guascor Group in the fields of both research and development and its expansion into the North American market. He is currently a Director of Dehesa del Corcho XXI, S.L. and Dehesa del Castillo XXI, S.L., and a Member of the Board of Turina 2000, S.L.
Mr GORKA ARREGUI ABENDIVAR	RETOS OPERATIVOS XXXI, S.L.	(Born 1975) With a degree in Law, he has held positions of responsibility in companies in the industrial, energy, agri-food and forestry investment sectors, among others. He is currently a Member of the Board of Directors of companies belonging to these sectors such as Ciresco S.A., and Investigación y Desarrollo Agrario, S.A.
Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	MENDIBEA 2002, S.L.	(Born 1951) José Ignacio Comenge Sánchez-Real held several positions in the Banco Hispano Americano between 1973 and 1983, such as Deputy Director of Foreign Trade and Director of Large Companies. From 1984 to 2002 he held the following positions in MUTUA MADRILEÑA AUTOMOVILISTA: Director of the Finance Department and Vice-chairman of the Board of Directors. He currently holds the position of Chairman in the company Ball Beverage Can Iberica, S.L.; and is a Director for the companies COCA-COLA EUROPEAN PARTNERS, plc; EBRO FOODS S.A.; Dosval, S.L., Compañía Vinícola del Norte de España, S.A. and OLIVE PARTNERS, S.A. (the Director in these last two companies is MENDIBEA 2002, S.L.). He is also sole director of Mendibea 2002, S.L., Globotrans, S.L. and Blig 13-13, S.L.
Mr ANGEL AGUDO VALENCIANO	ASÚA INVERSIONES, S.L.	(Born 1973) He has a degree in industrial engineering from ICAI, specialising in mechanics (Madrid) and an MBA from IMD (Lausanne, Switzerland). He is currently CEO of the Asúa Inversiones, S.L. family office. He began his professional career at LVMH in Madrid, subsequently working for fund manager Fidelity Investments. He has been managing global and American equity funds for institutional clients in Europe and Asia for 18 years.

Total number of Proprietary Directors	5
% of the total board	38.46

<b>Remarks</b>

## EXTERNAL INDEPENDENT DIRECTORS

Name or company name of the Director	Profile
Ms IRENE HERNÁNDEZ ÁLVAREZ	(Born 1965) She has a degree in Economics and Business Administration from ICADE. She was granted the Special Graduation Award and Second National Prize for Economics. She began her professional career at JP Morgan in Madrid and New York, from 1987 to 2001, where she was responsible for major fixed and variable income operations in national and international markets. She has had an outstanding career in financial advisory services for family businesses. She is one of the founding partners and Joint and Several Administrator of the company Impulsa Capital, S.L., dedicated to corporate financial advisory services in the private capital/risk capital segment and is a Registered Adviser for BME Growth and a Listing Sponsor for Euronext. She is currently an Independent Director, Coordinating Director, Chairwoman of the Appointments, Remuneration and Sustainability Committee and Member of the Audit Committee of Saint Croix Holding Immobilier SOCIMI, S.A., and Independent Director, Member of the Appointments, Remuneration and Sustainability Committee and of the Audit Committee of Elecnor, S.A.
Ms MARÍA PAZ ROBINA ROSAT	(Born 1964) She has a degree in Chemical Sciences from the University of Valladolid. She has spent her entire professional career at Michelin Spain and Portugal where she was the first woman to hold each and every position she undertook. In February 1988, she joined Michelin Spain at the Vitoria factory, holding various positions of responsibility within the quality and manufacturing areas in the production of semi-finished products. In February 1993, she transferred to the Aranda de Duero factory continuing in the area of Quality and Industrialisation, being in charge of Quality Assurance for the manufacturing of lorry tyres. In June 2004, she worked at the Central office in Valladolid in the role of Staff Management, Training and Administration Manager for the whole of Michelin Spain and Portugal. From July 2009, for 7 years, she managed the lorry tyre factory in Aranda de Duero. In August 2016, she took over the management of the Michelin Industrial Centre in Álava, one of the largest in the world, comprising 4 industrial activities in Vitoria and a logistics centre in Araia. Currently, since March 2019, she has been the Human Resources Director, Managing Director and Chairwoman of the Board of Directors of Michelin España Portugal S.A. She is also President of the Board of Directors of Signus Ecovalor, the Executive Board of the Rubber Consortium and the Governing Board of the FACYL automotive cluster. She is also a Consultant for Nuadi Europe, S.L.
Ms ROSALÍA GIL-ALBARELLOS MARCOS	(Born 1960) She has a degree in engineering from the Polytechnic University of Madrid and a Master's in Environment and Urban Planning from the Polytechnic University of Valencia. Additionally, she completed a General Management Programme (GMP) at the IESE Business School. From 1987 to 1992, she worked as an environmental project technician at various engineering companies such as Inypsa, Desherca and Natural Spaces. In 1992, she joined Prointec (subsequently acquired by the Indra Group) and worked at this company until 2021. She held various management positions there such as Operations Director and Director of the Environment, Water and Ports department. Since July 2021, she has been Director of the Environment, Water Engineering and Sustainability department of Proes (Amper Group). During her time as Operations Director for Prointec (2011 to 2014), she was in charge of a deal worth 60 million euros as production manager. She was in charge of a team of 800 people in Spain and 400 people abroad. She was a member of the governing board of Tecniberia (engineering management) and chairwoman of its environmental committee from 2015 to 2021, where she brought about the creation of the "Women in Engineering" Committee. She is currently Director of the Environment, Water Engineering and Sustainability Department of PROES (AMPER Group) and Sustainability Director of AMPER Group. He is also a member of the Madrid Association of Forestry Engineers.
Ms CARMEN AQUERRETA FERRAZ	(Born 1968) She has a degree in Economics and Business Studies and in Law from the Comillas Pontifical University, and a Master's in International Relations from Johns Hopkins University. She has had an extensive professional career in the consulting sector. During her professional career she has worked for large entities such as Andersen, in Madrid, in the role of global strategy and planning director (tax and legal), BCG – Boston Consulting Group and the Mitchell Madison Group, where she managed the group's global diversification strategy for consumer goods, as well as its commercial and risk strategy for the national financial entity. She was a partner of Deloitte United Kingdom and Deloitte North West Europe (2006-2019), where she led intangible assets and intellectual property operations, global relations with the company Vodafone Plc and numerous large-scale projects for BAE Systems and Thales, among others. Additionally, she has worked as a lawyer for the World Bank (Washington) where she developed the KPIs and strategy for judicial reform in the Latin America division. She has also been an Independent Director of Indra Sistemas, S.A., is an Independent Director for the Andbank Group, a member of its Audit Committee and Chairwoman of its Appointments and Remuneration Committee.

Ms ROSA MARÍA GARCÍA PIÑEIRO	(Born 1974) She holds a degree in Industrial Engineering from the University of Vigo and a Master's degree in Business Administration and Management from the University of Geneva, as well as a Master's degree in Environmental Engineering from the EOI Business School of Madrid. She has extensive experience in the industrial sector, with a notable focus on the environment and sustainability, and with an international vision. She has spent her professional career at Alcoa, where she has held positions such as Environmental Engineer, Internal Environmental and Occupational Health and Safety Auditor, Director of Occupational Health and Safety, Director of Government Affairs and Sustainability for Europe, and Chairwoman of Alcoa Inespal, S.L. in Spain. Her last positions at Alcoa, until February 2024, were Vice President of Alcoa Global Sustainability and Chair of the Alcoa Foundation. She is currently an independent director on the board of directors of Acerinox, S.A. and PowerCo (Volkswagen Group). She is also Chairwoman of the Advisory Board of the Geneva Center for Business and Human Rights.
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Total number of Independent Directors	5
% total of the board	38.46

Remarks

Indicate whether any Director qualified as independent receives any amount or benefit for a concept other than Director's remuneration from the company or from its group, or maintains or has maintained, during the last financial year, a business relationship with the company or with any company in its group, either in its own name or as a majority shareholder, Director or senior manager of an entity that maintains or has maintained such relationship.

If applicable, a statement by the board on the reasons why it considers that said Director can perform his or her duties as an Independent Director must be included.

Name or company name of the Director	Description of the link	Reasoned statement
No data		

#### **OTHER EXTERNAL DIRECTORS**

The other External Directors must be identified and the reasons why they cannot be considered proprietary or independent and their links, either with the company, its Directors, or its shareholders, must be detailed:

Name or company name of the Director	Reasons:	Company, Director or shareholder with which the link is maintained:	Profile
Mr FERNANDO ABRIL-MARTORELL HERNÁNDEZ	Fernando Abril-Martorell holds a minority stake in Foresta Capital, S.L., a company in which Juan Luis Arregui Ciarsolo, who controls 100% of RETOS OPERATIVOS XXI S.L., also holds an indirect stake. He also served 12 years as a member of the Company's Board of Directors.	RETOS OPERATIVOS XXI, S.L.	(Born 1962) Degree in Law and Business Administration from ICADE (Madrid). He has worked at various companies and financial entities. He was Chairman of Indra from January 2015 to May 2021. Between 2011 and 2014, he was Managing

			<p>Director of the Prisa Group. Between 2005 and 2011, he was CEO of Credit Suisse in Spain and Portugal. He was Chief Executive Officer of the Telefónica Group from 2000 to 2003, and prior to this, Chief Financial Officer from 1997 to 2000. He began his career at JP Morgan where he spent 10 years from 1987 to 1997 in the Madrid, New York, and London offices. He is currently CEO of URBASER and a director at the Spanish company Sener, S.A.</p>
Mr JOSÉ GUILLERMO ZUBÍA GUINEA	Mr José Guillermo Zubía Guinea served for 12 years as an independent director, for which reason his legal category has changed to "other external director".	ENCE ENERGÍA Y CELULOSA, S.A.	<p>(Born 1946) He holds a degree in Law by the Universidad Complutense de Madrid. He studied Economics at this University and Taxation at the Centre for Economic and Tax Studies. He has been an entrepreneur, consultant and advisor for several companies. He was secretary general of the Alavés Business Union (SEA) from 1979 to 1995. He was secretary general of the Confederation of Basque Entrepreneurs (Confebask) from October 1995 to March 2011. He has been a member of the Boards of Directors and Governing Bodies of the main Socio-Economic Institutions of the Basque Country: among others, the Company for Industrial Promotion and Reconversion and the Economic and Social and Labour Relations Councils. He has also been a member of the Permanent Commission of the Andalusian School of Economics and has participated in various courses and conferences at the Menéndez Pelayo International University, summer courses at El Escorial and the summer university at the Basque Country University.</p>

<b>Total number of other External Directors</b>	2
<b>% total of the board</b>	15.38

<b>Remarks</b>

Indicate the variations that, if applicable, have occurred during the period in the category of each Director:

<b>Name or company name of the Director</b>	<b>Date of change</b>	<b>Previous category</b>	<b>Category current</b>
No data			

C.1.4 Complete the following table with information regarding the number of female Directors at the end of the last 4 years, as well as the category of such Directors:

	Number of Directors				% of the total number of Directors of each category			
	Financial year 2024	2023 financial year	2022 financial year	2021 financial year	Financial year 2024	2023 financial year	2022 financial year	2021 financial year
<b>Executive</b>					0.00	0.00	0.00	0.00
<b>Proprietary</b>					0.00	0.00	0.00	0.00
<b>Independent</b>	5	5	5	4	38.46	38.46	38.46	38.46
<b>Other external</b>					0.00	0.00	0.00	0.00
<b>Total:</b>	5	5	5	4	38.46	38.46	38.46	38.46

C.1.5 Indicate whether the company has diversity policies in relation to the company's board of directors with respect to issues such as age, gender, disability, or professional training and experience. Small and medium-sized entities, according to the definition contained in the Law on Account Auditing, shall report, as a minimum, on the policy they have established regarding gender diversity.

Yes ☒

No ☐

Partial Policies ☐

If yes, describe these diversity policies, their objectives, the measures and how they have been implemented and their results during the financial year. The specific measures adopted by the Board of Directors and the Appointments and Remuneration Committee to achieve a balanced and diverse participation of Directors must also be indicated.

If the society does not apply a diversity policy, explain the reasons why it does not do so.

Description of policies, objectives, measures and how they have been implemented, as well as the results obtained
<p>In relation with gender diversity on the board, article 17.2 d) of the Board of Directors' regulations states that the appointments and remuneration committee ensures that, when filling new vacancies or appointing new directors, the selection procedures favour diversity with respect to issues such as age, gender, disability or professional training and experience and are free of implicit biases that could imply any discrimination, and in particular, that they facilitate the selection of female directors in a number that achieves a balanced presence of women and men; establishing a representation target for the under-represented gender and developing guidance on how to achieve this target.</p> <p>The Policy on the Selection of Directors and Diversity in the Composition of the Board expressly incorporates the diversity aspects specifically mentioned in Article 540.4.c) sub-section 8 of the LSC, as well as the most up to date version of recommendations 14 and 15 of the Good Governance Code, establishing that:</p> <ul style="list-style-type: none"> <li>- This - public, specific, and verifiable - policy promotes an appropriate composition of the Board of Directors and ensures that proposals for appointment or re-election are based on a prior analysis of the competencies required by the board, while favouring diversity of knowledge, experience, age, and gender.</li> <li>- The nomination and remuneration committee and the board of directors shall ensure that the recruitment procedures for the members of the board and its committees favour diversity with regard to issues such as age, gender, disability, education and training, and professional experience and do not suffer from implicit biases that could imply any discrimination and, in particular, that facilitate the hiring of female directors in a number that allows for a balanced presence of women and men.</li> </ul>

Ence's commitment to the goal of gender diversity has materialised in recent years, with women's representation on the board increasing from 7% in 2017 to 38.46% in 2023, which is maintained in 2024.

The Company will continue to make progress in its commitment to comply with the diversity objective set out in its Policy for the selection of directors and diversity in the composition of the Board of Directors, which was last updated in 2024, in accordance with the recommendations for good corporate governance of listed companies and the amendment of article 529 bis of the Capital Companies Act, implemented by Act 2/2024 of 1 August, which will be applicable to Ence as of 30 June 2027.

- C.1.6** Explain the measures that, if applicable, the appointments committee would have agreed to ensure that the selection procedures are not subject to implicit biases that hinder the selection of female Directors, and that the company deliberately seeks and includes women who meet the professional profile sought among the potential candidates and which enable a balanced participation of women and men: Also state whether these measures include encouraging the company to have a significant number of female senior managers:

Explanation of the measures
As indicated in Section C.1.5, the Appointments and Remuneration Committee has ensured that, when new vacancies are filled or when new Directors are appointed, the selection procedures do not suffer from implicit biases that may imply gender-based discrimination. It should be noted that in the category of independent directors, where the Committee has full power to propose the appointment of directors, the percentage of women is 100% (5 female directors out of 5 independent directors). In 2024, the Director Selection and Board Diversity Policy was updated to, among other things, adapt it to the LSC and introduce technical improvements, and to reinforce the functions of the Appointments and Remuneration Committee and the Board in the process of approving and updating, where appropriate, the competency matrix for members of the Board of Directors, in terms that ensure selection processes that favour diversity and, in particular, that they facilitate the selection of female directors in a number that allows for a balanced presence of women and men, with the board and the commission ensuring this. Moreover, this policy expressly establishes that the Company shall endeavour to adopt measures that encourage the company to have a significant number of female senior executives, within the meaning of recommendation 14 of the Good Governance Code. In accordance with the above, the Company continues to work along these lines, having set diversity targets for management positions which have been approved by the appointments and remuneration committee.

If there are few or no female Directors or senior managers, despite the measures that have been adopted, explain the reasons that justify it:

Explanation of the reasons
Not applicable

- C.1.7** Explain the conclusions of the appointments committee regarding verification of compliance with the policy aimed at favouring an appropriate composition of the board of directors.

The Appointments and Remuneration Committee has verified the degree of compliance with the current policy for the selection of Directors and put it into practice, as described in sections C.1.5 and C.1.6 above. Following the practice recommended by the CNMV in its Technical Guide 1/2019 on appointments and remuneration committees and by the proxy advisors consulted by the company, in 2020, and following a favourable report from its Appointments and Remuneration Commission, the Ence Board of Directors approved the competency matrix for its members. The competency matrix is an effective tool for the Company as it allows it to determine the appropriate experience and knowledge at management level, as well as to address in a structured way the identification and selection processes of the most suitable profiles. The latest update of the competency matrix was reviewed and reported favourably by the nomination and remuneration committee at its meeting in June 2024 and approved by the Board of Directors at its meeting in the same month.

The Company will continue to make progress in its commitment to comply with the diversity objective set out in its Policy for the selection of directors and diversity in the composition of the Board of Directors, which was last updated in 2024, in accordance with the recommendations for good corporate governance of listed companies and the amendment

of article 529 bis of the Capital Companies Act, implemented by Act 2/2024 of 1 August, which will be applicable to Ence as of 30 June 2027.

- C.1.8 Explain, if applicable, the reasons why nominee Proprietary Directors have been nominated at the request of shareholders whose shareholding is less than 3% of the capital:

Shareholder name or company name	Justification
No data	

Indicate whether formal requests for presence on the board have been responded to from shareholders whose shareholding is equal to or greater than that of others at whose request Proprietary Directors have been appointed. If so, explain the reasons why they were not responded to:

Yes ☐

No ☒

Shareholder name or company name	Explanation

- C.1.9 Indicate, if any, the powers delegated by the Board of Directors, including those relating to the possibility of issuing or repurchasing shares, to Directors or Board Committees:

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

- C.1.10 Identify, if applicable, the members of the board who assume representative, administrative or executive positions in other companies that are part of the listed company's group:

Name or company name of the Director	Corporate name of the group entity	Position	Does he/she have executive functions?
Ignacio de Colmenares Brunet	Biogás Carmona, S.L.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	Biogas Almacelles, S.L.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	Biogás San Esteban, S.L.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	Biofibras de Galicia, S.L.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	Ence Investigación y Desarrollo, S.A.U.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	Celulosas de Asturias, S.A.U.	Sole administrator representative	Yes



Ignacio de Colmenares Brunet	Silvasur Agroforestal, S.A.U.	Joint and several administrator	Yes
Ignacio de Colmenares Brunet	Ibersilva, S.A.U.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	Ence Terra, S.A.U.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	Liptoflor, S.A.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	Ence Renovables, S.L.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	Ence Biogás, S.L.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	ENCE CO2, S.L.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	Magnon Servicios Energéticos, S.L.U.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	Magnon Green Energy, S.L.	Chairman of the Board of Directors	Yes
Ignacio de Colmenares Brunet	Magnon biomasa, S.L.U.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	Granada 133 Solar, S.L.U.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	Celulosa Energía, S.A.U.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	Ence Energía Puertollano, S.L.U.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	Ence Energía Huelva, S.L.U.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	Ence Energía Huelva Dos, S.L.U.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	Ence Energía Castilla y León Dos, S.L.U.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	Ence Energía Castilla y León, S.L.U.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	Ence Energía Celta, S.L.U.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	Huelva 10 Solar, S.L.U.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	Ence Energía Pami, S.L.U.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	Ence Biomasa Córdoba, S.L.U.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	Ancen Solar IV, S.L.U.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	Ancen Solar III, S.L.U.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	Ancen Solar V, S.L.U.	Sole administrator representative	Yes

Ignacio de Colmenares Brunet	Sostenibilidad y Economía Circular, S.L.U.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	Ence Energía Puertollano 2, S.L.U.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	Sierras Calmas, S.A.	Executive Chairman	Yes
Ignacio de Colmenares Brunet	Las Pléyades Uruguay, S. A.	Executive Chairman	Yes
Ignacio de Colmenares Brunet	SEVILLA 90 SOLAR, S.L.U.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	ENCE ENERGÍA EXTREMADURA, S.L.U.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	ENCE ENERGÍA EXTREMADURA DOS, S.L.U.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	ENCE ENERGÍA ESTE, S.L.U.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	BIOFERTILIZANTES Y BIOMETANO ALMACELLES, S.L.U.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	BIOFERTILIZANTES Y BIOEMETANO BARBASTRO, S.L.U.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	BIOFERTILIZANTES Y BIOEMETANO CARMONA, S.L.U.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	BIOFERTILIZANTES Y BIOEMETANO CAMARLES, S.L.U.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	BIOFERTILIZANTES Y BIOEMETANO CASTELLAR, S.L.U.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	BIOFERTILIZANTES Y BIOEMETANO LUCILLOS, S.L.U.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	BIOFERTILIZANTES Y BIOEMETANO PELEAS DE ABAJO, S.L.U.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	BIOFERTILIZANTES Y BIOEMETANO SANTOVENIA DEL ESLA, S.L.U.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	BIOFERTILIZANTES Y BIOEMETANO SERTO GAL XUNQUEIRAS, S.L.U.	Sole administrator representative	Yes
Ignacio de Colmenares Brunet	BIOFERTILIZANTES Y BIOEMETANO XUNQUEIRAS, S.L.U.	Sole administrator representative	Yes

Ignacio de Colmenares Brunet	BIOFERTILIZANTES Y BIOEMETANO ZUERA, S.L.U.	Sole administrator representative	Yes
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Remarks

C.1.11 List the positions of director, administrator or counsellor, or representative thereof, that directors or representatives of director who are members of the company's board of directors hold in other organisations, whether or not they are listed companies:

Identification of the director or representative	Corporate name of the entity, whether listed or not	Position
Ms CARMEN AQUERRETA FERRAZ	Andbank/ Private bank	Independent director
Ms CARMEN AQUERRETA FERRAZ	Astara Mobility, S.L.	Independent director
IRENE HERNÁNDEZ ÁLVAREZ	Elecnor, S.A.	DIRECTOR
IRENE HERNÁNDEZ ÁLVAREZ	Saint Croix Holding Immobilier SOCIMI, S.A.	DIRECTOR
IRENE HERNÁNDEZ ÁLVAREZ	Impulsa Capital, S.L.	JOINT AND SEVERAL ADMINISTRATOR
OSCAR ARREGUI ABENDIVAR	INVERMAS XII, S.L.	DIRECTOR'S REPRESENTATIVE
OSCAR ARREGUI ABENDIVAR	DIOPTASA, S.L.	JOINT ADMINISTRATOR
OSCAR ARREGUI ABENDIVAR	ARTEVINO VIÑEDOS, S.L.	DIRECTOR
OSCAR ARREGUI ABENDIVAR	DEHESA CHECA, S.L.	DIRECTOR'S REPRESENTATIVE
OSCAR ARREGUI ABENDIVAR	DEHESA EL CORCHO, XXI, S.L.	DIRECTOR'S REPRESENTATIVE
OSCAR ARREGUI ABENDIVAR	TURINA 2000, S.L.	DIRECTOR
OSCAR ARREGUI ABENDIVAR	TREELANDS CAPITAL, S.L.	DIRECTOR
OSCAR ARREGUI ABENDIVAR	DEHESA DEL CASTRILLO XXI, S.L.	DIRECTOR'S REPRESENTATIVE
OSCAR ARREGUI ABENDIVAR	DAIMA GLOBAL, S.L.	DIRECTOR
OSCAR ARREGUI ABENDIVAR	FORESTA PRIVATE EQUITY II SCR, S.A.	DIRECTOR'S REPRESENTATIVE
OSCAR ARREGUI ABENDIVAR	ORMAKOMA, S.L.	DIRECTOR
OSCAR ARREGUI ABENDIVAR	FORESTA PRIVATE INDIVIDUAL I, S.A.	DIRECTOR
OSCAR ARREGUI ABENDIVAR	PROMOCIONES URBANAS MONTELLANO	DIRECTOR
OSCAR ARREGUI ABENDIVAR	RUKUSULA XXI, S.L.	DIRECTOR
OSCAR ARREGUI ABENDIVAR	TORNEADOS NUMÉRICOS, S.A.	DIRECTOR'S REPRESENTATIVE
OSCAR ARREGUI ABENDIVAR	RETOS OPERATIVOS XXI, S.L.	DIRECTOR'S REPRESENTATIVE
OSCAR ARREGUI ABENDIVAR	VUELO NOGALES, S.L.	DIRECTOR'S REPRESENTATIVE
OSCAR ARREGUI ABENDIVAR	TERRENO NOGALES, S.L.	DIRECTOR'S REPRESENTATIVE

OSCAR ARREGUI ABENDIVAR	HACIENDA IBER, S.L.	DIRECTOR'S REPRESENTATIVE
OSCAR ARREGUI ABENDIVAR	GRL ACTIVOS INDUSTRIALES, S.L.	DIRECTOR'S REPRESENTATIVE
OSCAR ARREGUI ABENDIVAR	GRL GANADERA, S.L.	DIRECTOR'S REPRESENTATIVE
OSCAR ARREGUI ABENDIVAR	GRL PLANTAS DE TRATAMIENTO, S.A.	DIRECTOR'S REPRESENTATIVE
GORKA ARREGUI ABENDIVAR	INVESTIGACION Y DESARROLLO AGRARIO, S.A.	DIRECTOR
GORKA ARREGUI ABENDIVAR	CIUDAD DE TRANSPORTES DE MANZANARES, S.A.	DIRECTOR'S REPRESENTATIVE
GORKA ARREGUI ABENDIVAR	TREELANDS CAPITAL, S.L.	DIRECTOR
GORKA ARREGUI ABENDIVAR	TOYLE DE JOUY, S.L.	JOINT AND SEVERAL ADMINISTRATOR
GORKA ARREGUI ABENDIVAR	DESARROLLOS INMOBILIARIOS CAMARINES, S.L.	JOINT AND SEVERAL ADMINISTRATOR
GORKA ARREGUI ABENDIVAR	DESARROLLOS INMOBILIARIOS SOMOSAGUAS, S.L.	JOINT AND SEVERAL ADMINISTRATOR
GORKA ARREGUI ABENDIVAR	NEGOCIOS LOPICRAC, S.L.	JOINT AND SEVERAL ADMINISTRATOR
GORKA ARREGUI ABENDIVAR	DESARROLLO INMOBILIARIO CORRALEJOS, S.L.	DIRECTOR'S REPRESENTATIVE
GORKA ARREGUI ABENDIVAR	TURINA 2000, S.L.	DIRECTOR
GORKA ARREGUI ABENDIVAR	CORPORACION LORPEN, S.A.	DIRECTOR
GORKA ARREGUI ABENDIVAR	DESARROLLOS INMOBILIARIOS SAMISOL, S.L.	DIRECTOR'S REPRESENTATIVE
GORKA ARREGUI ABENDIVAR	ARBI, 21, S.L.	SOLE ADMINISTRATOR
GORKA ARREGUI ABENDIVAR	DESARROLLOS INMOBILIARIOS CERRO DE BELMONTE, S.L.	LIQUIDATOR
GORKA ARREGUI ABENDIVAR	ARTEVINO Y VIÑEDOS, S.L.	DIRECTOR
GORKA ARREGUI ABENDIVAR	GESTION Y PROYECTOS INMOBILIARIOS PENTA, S.L.	DIRECTOR'S REPRESENTATIVE
GORKA ARREGUI ABENDIVAR	AUTOCOA INDUSTRIAS DE AUTOMOCION, S.A.	DIRECTOR
GORKA ARREGUI ABENDIVAR	GESTION PROYECTOS Y CONTROL, S.A.	DIRECTOR'S REPRESENTATIVE
GORKA ARREGUI ABENDIVAR	DESARROLLOS INMOBILIARIOS MIRANDA, S.L.	DIRECTORS
GORKA ARREGUI ABENDIVAR	GLOBAL DOS MANAGEMENT, S.L.	DIRECTOR
GORKA ARREGUI ABENDIVAR	KEBRATXO, S.L.	JOINT AND SEVERAL ADMINISTRATOR

GORKA ARREGUI ABENDIVAR	SIDRERÍA SAN PRUDENCIO, S.L.	JOINT AND SEVERAL ADMINISTRATOR
GORKA ARREGUI ABENDIVAR	INVERMAS XXII, S.L.	DIRECTOR'S REPRESENTATIVE
GORKA ARREGUI ABENDIVAR	PORTAL DE LA PATRO, S.L.	JOINT AND SEVERAL ADMINISTRATOR
GORKA ARREGUI ABENDIVAR	CENSEIRO PALMA, S.L.	DIRECTOR
GORKA ARREGUI ABENDIVAR	CÁRNICAS CENSEIRO, S.L.	DIRECTOR
GORKA ARREGUI ABENDIVAR	TORNEADOS NUMÉRICOS, S.A.	DIRECTOR'S REPRESENTATIVE
GORKA ARREGUI ABENDIVAR	RUKUSULA XXI, S.L.	DIRECTOR
GORKA ARREGUI ABENDIVAR	DEHESA DE CASTRILLO, S.L.	DIRECTOR
GORKA ARREGUI ABENDIVAR	VUELO NOGALES, S.L.	DIRECTOR'S REPRESENTATIVE
GORKA ARREGUI ABENDIVAR	TERRENO NOGALES, S.L.	DIRECTOR'S REPRESENTATIVE
GORKA ARREGUI ABENDIVAR	GRL ACTIVOS INDUSTRIALES, S.L.	DIRECTOR
IGNACIO DE COLMENARES BRUNET	CORPORACION FINANCIERA ALBA	DIRECTOR
IGNACIO DE COLMENARES BRUNET	EL LLANO DE CAMPOZALVARO, S.L.	DIRECTOR
JOSÉ IGNACIO COMENGE SÁNCHEZ- REAL	Ebro Foods, S.A.	DIRECTOR
JOSÉ IGNACIO COMENGE SÁNCHEZ- REAL	MENDIBEA 2002, S.L.	SOLE ADMINISTRATOR
JOSÉ IGNACIO COMENGE SÁNCHEZ- REAL	BALL BEVERAGE CAN IBERIA, S.L.	NON-EXECUTIVE CHAIRMAN
JOSÉ IGNACIO COMENGE SÁNCHEZ- REAL	Coca-Cola European Partners, plc.	DIRECTOR
JOSÉ IGNACIO COMENGE SÁNCHEZ- REAL	OLIVE PARTNERS, S.A.	NATURAL PERSON DIRECTOR REPRESENTATIVE
JOSÉ IGNACIO COMENGE SÁNCHEZ- REAL	COMPAÑIA VINÍCOLA DEL NORTE DE ESPAÑA, S.A.	NATURAL PERSON DIRECTOR REPRESENTATIVE
JOSÉ IGNACIO COMENGE SÁNCHEZ- REAL	BLIG 13-13, S.L.	SOLE ADMINISTRATOR

JOSÉ IGNACIO COMENGE SÁNCHEZ- REAL	ARBITRAJES E INVERSIONES, S.L.	DIRECTOR
JOSÉ IGNACIO COMENGE SÁNCHEZ- REAL	GLOBOTRANS, S.L.	SOLE ADMINISTRATOR
JOSÉ IGNACIO COMENGE SÁNCHEZ- REAL	DOSVAL, S.L.	DIRECTOR
JAVIER ARREGUI ABENDIVAR	TORNEADOS NUMERICOS S.A.	DIRECTOR'S REPRESENTATIVE
JAVIER ARREGUI ABENDIVAR	CORPORACION EMPRESARIA DE EXTREMADURA S.A.	DIRECTOR
JAVIER ARREGUI ABENDIVAR	FORESTA PRIVATE EQUITY II SCR, S.A.	DIRECTOR'S REPRESENTATIVE
JAVIER ARREGUI ABENDIVAR	RETOS OPERATIVOS XXI, S.L.	DIRECTOR'S REPRESENTATIVE
JAVIER ARREGUI ABENDIVAR	CARNICAS TURO, S.L.	SOLE ADMINISTRATOR
JAVIER ARREGUI ABENDIVAR	TREELANDS CAPITAL, S.L.	DIRECTOR
JAVIER ARREGUI ABENDIVAR	FORESTA CAPITAL, S.L.	DIRECTOR
JAVIER ARREGUI ABENDIVAR	VUELO NOGALES, S.L.	DIRECTOR'S REPRESENTATIVE
JAVIER ARREGUI ABENDIVAR	TERRENO NOGALES, S.L.	DIRECTOR'S REPRESENTATIVE
JAVIER ARREGUI ABENDIVAR	AGROLUJAN, S.L.	SOLE ADMINISTRATOR
JAVIER ARREGUI ABENDIVAR	FORESTA MANTENIMIENTO DE PLANTACIONES, S.L.	DIRECTOR
JAVIER ARREGUI ABENDIVAR	FORESTA INDIVIDUAL 2, S.L.	CHIEF EXECUTIVE OFFICER
JAVIER ARREGUI ABENDIVAR	FORESTA TERRENOS, S.L.	DIRECTOR'S REPRESENTATIVE
JAVIER ARREGUI ABENDIVAR	KALINEX INVERSIONES, S.L.	VICE-CHAIRMAN
JAVIER ARREGUI ABENDIVAR	LA PRADERA DE LA TABLADILLA, S.L.	DIRECTOR'S REPRESENTATIVE
JAVIER ARREGUI ABENDIVAR	NOGALES DEL TIETAR, S.L.	DIRECTOR'S REPRESENTATIVE
JAVIER ARREGUI ABENDIVAR	FINE TIMBER INVESTMENT, S.L.	DIRECTOR
JAVIER ARREGUI ABENDIVAR	FORESTA ENERGIA SIERRA DE ARCOS, S.L.	DIRECTOR'S REPRESENTATIVE
JAVIER ARREGUI ABENDIVAR	FORESTA ENERGIA DEL DUERO, S.L.	DIRECTOR'S REPRESENTATIVE
JAVIER ARREGUI ABENDIVAR	BIOMASA DE AS PONTES, S.L.	DIRECTOR'S REPRESENTATIVE

JAVIER ARREGUI ABENDIVAR	LOMAS DE LA VEGA, S.L.	DIRECTOR'S REPRESENTATIVE
JAVIER ARREGUI ABENDIVAR	LOMAS DEL MEDIO, S.L.	DIRECTOR'S REPRESENTATIVE
JAVIER ARREGUI ABENDIVAR	LOMAS PONIENTE, S.L.	DIRECTOR'S REPRESENTATIVE
JAVIER ARREGUI ABENDIVAR	TURINA 2000, S.L.	DIRECTOR
JAVIER ARREGUI ABENDIVAR	TURINA, 2000, S.L.	CHAIRMAN
JAVIER ARREGUI ABENDIVAR	INVERSIONES SECTOR PRIMARIO, S.L.	SOLE ADMINISTRATOR
JAVIER ARREGUI ABENDIVAR	FORESTA PRIVATE INDIVIDUAL I, S.A.	DIRECTOR
JAVIER ARREGUI ABENDIVAR	FORESTA INDIVIDUAL 1, S.A.	DIRECTOR
JAVIER ARREGUI ABENDIVAR	DAIMA GLOBAL, S.L.	DIRECTOR
JAVIER ARREGUI ABENDIVAR	RUKUSULA XXI, S.L.	DIRECTOR
JAVIER ARREGUI ABENDIVAR	ARTEVINO Y VIÑEDOS, S.L.	DIRECTOR
JAVIER ARREGUI ABENDIVAR	CIRESCO, S.A.	DIRECTOR
JAVIER ARREGUI ABENDIVAR	ESPOLINADO, S.L.	DIRECTOR
JAVIER ARREGUI ABENDIVAR	AMERICAN FORESTRY TECHNOLOGIES ESPAÑA, S.L.	DIRECTOR
ROSA MARÍA GARCÍA PIÑEIRO	ACERINOX, S.A.	DIRECTOR
ROSA MARÍA GARCÍA PIÑEIRO	POWERCO	DIRECTOR
MARÍA DE LA PAZ ROBINA ROSAT	Michelin España Portugal, S.A. (MEPSA AUTOMOCION)	CHAIRWOMAN
MARÍA DE LA PAZ ROBINA ROSAT	SIGNUS ECOVALOR, S.L.	CHAIRWOMAN
MARÍA DE LA PAZ ROBINA ROSAT	NATIONAL RUBBER INDUSTRY CONSORTIUM	VICE-PRESIDENT 4
MARÍA DE LA PAZ ROBINA ROSAT	FACyL Automotive sector	CHAIRWOMAN
FERNANDO ABRIL- MARTORELL HERNÁNDEZ	LUNA IV SERVICIOS AMBIENTALES, S.L.	CHIEF EXECUTIVE OFFICER
FERNANDO ABRIL- MARTORELL HERNÁNDEZ	URBASER, S.A.	CHIEF EXECUTIVE OFFICER
FERNANDO ABRIL- MARTORELL HERNÁNDEZ	SENER, S.A.	DIRECTOR



ANGEL AGUDO VALENCIANO	ASÚA INVERSIONES, S.L.	CHIEF EXECUTIVE OFFICER
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Remarks

Indicate, if applicable, any other remunerated activities of the directors or representatives of the directors, whatever their nature, other than those indicated in the above table.

Identification of the director or representative	Other paid activities
MARÍA PAZ ROBINA ROSAT	General Manager Michelin Spain Portugal, S.A. (MEPSA AUTOMOCION)
MARÍA PAZ ROBINA ROSAT	Consultant at NUADI EUROPE, S.L.
ROSALÍA GIL-ALBARELLOS MARCOS	Director of the Environment, Water Engineering and Sustainability Department of PROES (AMPER Group) and Sustainability Director of AMPER Group.

Remarks

C.1.12 Indicate and, if applicable, explain whether the company has rules on the maximum number of Boards of companies that its Directors can be a part of, identifying, if applicable, the regulating documents:

Yes ☒

No ☐

Explanation of the rules and identification of the regulating documents
Article 36.2 of the Board of Directors Regulations establishes that the maximum number of other listed companies' Board of Directors of which the Company's Directors may form a part should not exceed 3 in the case of Executive Directors and 5 in the case of non-Executive Directors. For these purposes, all the boards of companies forming part of the same Group shall be counted as a single board. Exceptionally and in view of concurrent personal and professional circumstances, the Board, after a favourable report from the Appointments and Remuneration Committee, may individually authorise exceeding the limit established in the previous paragraph when the dedication of the affected Director is not compromised. If this situation arises, this authorisation is reported in the Annual Corporate Governance Report.

C.1.13 Indicate the amounts of the following items relating to the overall remuneration of the Board of Directors:

Remuneration accrued in the financial year in favour of the Board of Directors (thousands of euros)	5,254
Amount of funds accumulated by current directors through long-term savings schemes with consolidated economic rights (thousands of €)	2,207
Amount of funds accumulated by current directors through long-term savings schemes with non-consolidated economic rights (thousands of €)	0.0
Amount of funds accumulated by former directors through long-term savings schemes (thousands of €)	0.0

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

C.1.14 Identify the members of senior management who are not Executive Directors, and indicate the total remuneration accrued in their favour during the year:

Name or company name	Position/s
Mr IGNACIO DE COLMENARES BRUNET	President and Chief Executive Officer
ALFREDO AVELLO DE LA PEÑA	General Manager of Finance and Corporate Development
JORDI AGUILÓ JUBIERRE	Managing Director of Cellulose
GUILLERMO NEGRO MAGUREGUI	Managing Director of Magnon Green Energy, S.L.
Ms REYES CEREZO RODRÍGUEZ-SEDANO	General Secretary and Managing Director of Sustainability and Regulation
Ms ISABEL VALLEJO DE LA FUENTE	Managing Corporate Director of Human Resources
MODESTO SAIZ SUÁREZ	Commercial and Logistics Manager of Cellulose
FERNANDO GONZÁLEZ-PALACIOS CARBAJO	Planning and Control Director
Ms CARLA MORENÉS BASABE	Ethics and Compliance Director
ANGEL J. MOSQUERA LÓPEZ-LEYTON	Internal Auditing Director

Number of women in senior management	3
Percentage over total members of senior management	30%

Total senior management remuneration (thousands of euros)	3,649
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Remarks
Ms Carla Morenés Basabe joined the company on 3 July 2023.

C.1.15 Indicate whether there has been any modification to the Board of Directors Regulations during the year:

Yes ☐

No ☒

Description of changes

- C.1.16 Indicate the procedures for selecting, appointing, re-electing and removing Directors. Detail the competent bodies, the procedures to be followed and the criteria to be used in each of the procedures.

The internal regulatory framework of reference in this respect consists of the Articles of Association, the Board of Directors Regulations, and the Policy on the Selection of Directors and Diversity in the Composition of the Board, approved by the Board of Directors on 4 February 2016 and amended on 27 November 2018 to adapt it to the Non-Financial Reporting and Diversity Act 11/2018 and on 24 November 2020 to adapt it to the latest revision of the Good Governance Code (recommendations 14 and 15), and last updated on 26 June 2024. Furthermore, in April 2020, the board approved the competency matrix for directors, which has been updated annually. The Directors are appointed and separated by the Annual General Meeting of Shareholders (Article 35.1 of the Articles of Association). The Board of Directors may fill vacancies that occur through the interim co-opting procedure until the first Annual General Meeting of Shareholders held (Article 36 of the Articles of Association). In any case, the proposals for the appointment of Directors that the Board (or the Appointments and Remuneration Committee in the case of Independent Directors) submit to the Annual General Meeting of Shareholders, and the appointment decisions adopted by the Board by virtue of the powers of co-opting legally attributed to it, must be preceded by the corresponding Appointments and Remuneration Committee report. When the Board departs from the Appointments and Remuneration Committee's recommendations, it must state the reasons for its action and record the reasons in the minutes (Article 20.5 of the Board Regulations). The Board of Directors and the Appointments and Remuneration Committee shall ensure that the candidates selected are persons of recognised solvency, competence, and experience, imposing strict requirements in relation to individuals appointed to fill the positions of Independent Director (Article 21.1 of the Board of Directors Regulations). The Appointments and Remuneration Committee may not propose or appoint persons to fill an Independent Director position whose situation or whose present or past relationship with the Company may impair their independence (Article 21.2 of the Board of Directors Regulations). Pursuant to Article 8.1 of the Board of Directors Regulations, the Board of Directors will endeavour to ensure that external and non-Executive Directors represent a large majority of the Executive Directors on the board and that, in general, the different categories of Directors are adapted in their proportion and characteristics to the best corporate governance practices. Article 8.2 of the Board of Directors Regulations establishes that, in order to establish a reasonable balance between Proprietary Directors and Independent Directors, the Board will consider the Company's ownership structure, so that the relationship between each type of Director reflects the relationship between stable capital and floating capital. Pursuant to Article 36 of the Articles of Association, a Director's term of office is 3 years and they may be re-elected one or more times for periods of the same duration. Pursuant to Article 22 of the Board of Directors Regulations, the proposals for re-election of Directors must be made in accordance with the provisions of their appointment, in accordance with article 20 of this regulation. Pursuant to the provisions in Article 24.1 of the Board of Directors Regulations, the Directors will cease to hold office when the period for which they were appointed has elapsed, when the Annual General Meeting of Shareholders decides on the use of the powers bestowed upon them by law, and when their renouncement or resignation is communicated to the Company. In addition, the Board of Directors will not propose the removal of any Independent Director before the expiry of the statutory period for which they were appointed, unless there is just cause, as assessed by the Board following a report from the Appointments and Remuneration Committee (Article 24.4 of the Board of Directors Regulations). The removal of an Independent Director may also be proposed as a result of public offers for acquisition, mergers, or other similar corporate transactions that entail a change in the capital structure of the Company, to the extent that it is necessary to establish a reasonable balance between the Proprietary Directors and Independent Directors based on the relationship between the Company's stable capital and floating capital (Article 24.4 of the Board of Directors Regulations).

- C.1.17 Explain the extent to which the annual evaluation of the Board has led to significant changes in its internal organisation and on the procedures applicable to its activities:

Description of changes
In accordance with the provisions of Article 19 of the Board of Directors Regulations and article 529 nonies of the Capital Companies Act, on 27 February 2025, the Board of Directors proceeded to evaluate its activity, without this evaluation having led to significant changes in its internal organisation or in the applicable procedures.

Describe the evaluation process made and the areas evaluated by the Board of Directors, assisted where appropriate by an external consultant, regarding the operation and composition of the Board and its committees and any other area or aspect that has been subject to evaluation.

Description of the evaluation process and areas evaluated
Pursuant to Article 19 bis of the board of directors' regulations, the board of directors will assess once a year, and adopt, if necessary, an action plan to correct any shortcomings detected with regard to: (a) the quality and efficiency of the functioning of the board of directors; (b) the functioning and composition of the committees; (c) the diversity in the composition and competencies of the board of directors; (d) the performance of the chairperson of the board of directors and of the chief executive officer, taking into account, where appropriate, the assessment made by the coordinating director or by the appointments and remuneration committee; (e) the performance and contribution of each director, paying special attention to the heads of the various committees of the board of directors. The evaluation process has been carried out on the basis of a questionnaire previously completed individually and anonymously by each of the Directors. The structure of the questionnaire has covered all aspects referred to in this section regarding diversity in the composition and powers of the Board of Directors, the functioning and composition of its Committees, the performance of the Chairperson of the Board of Directors, its Secretary and the CEO of the Company, as well as the remaining the Board members and the performance of the Chairperson of the Committee. The results, once consolidated, have been reviewed by the Chairmen of the Board and the respective committees in order to draw up the conclusions of the self-evaluation and identify the corresponding action plans.

**C.1.18 Breakdown, of the years in which the evaluation has been assisted by an external consultant, of the business relations that the consultant or any company in his/her group maintains with the company or any company in his/her group.**

For the year 2024 the evaluation has not been assisted by an external consultant.

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

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

**C.1.20 Are enhanced majorities, rather than legal ones, required in any kind of decision?:**

Yes ☒

No ☐

As applicable, describe the differences.

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

**C.1.21 Explain if there are specific requirements, different from those relating to Directors, to be appointed Chairman of the Board of Directors.**

Yes ☐

No ☐

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

C.1.22 Indicate whether the Articles of Association or the Board of Directors Regulations establish any limit on the age of the Directors:

Yes ☒

No ☐

	Age limit
Chairperson	N/A
Chief Executive Officer	N/A
Director	N/A

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

C.1.23 Indicate whether the Articles of Association or the Board of Directors Regulations establish a limited mandate or other stricter requirements in addition to those legally established for Independent Directors, different that established in the regulations:

Yes ☐

No ☒

Additional requirements and/or maximum number of mandate exercises	

C.1.24 Indicate whether the Articles of Association or the Board of Directors Regulations establish specific rules for the delegation of votes in the Board of Directors in favour of other Directors, the method of doing it and, in particular, the maximum number of delegations that a Director can hold, as well as if any limitations have been set regarding the categories in which it is possible to delegate, beyond the limitations imposed by law. As applicable, give a brief description of said rules.

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

C.1.25 Indicate the number of meetings held by the Board of Directors during the year. Also indicate, as applicable, the times that the board has met without being attended by its Chairman. In the calculation, representations made with specific instructions will be considered to be attendance.

Number of board meetings	11
Number of board meetings without the Chairman's attendance	0

Remarks

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Indicate the number of meetings held by the coordinating director with the other directors, without the attendance or representation of any executive director:

<b>Number of meetings</b>	5
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<b>Remarks</b>

Indicate the number of meetings held during the year by the different board committees:

<b>Number of meetings of the Executive Committee</b>	7
<b>Number of meetings of the Audit Committee</b>	7
<b>Number of meetings of the Appointments and Remuneration Committee</b>	6
<b>Number of meetings of the Appointments Committee</b>	-
<b>Number of meetings of the Remunerations Committee</b>	-
<b>Number of meetings of the Sustainability Committee</b>	5

<b>Remarks</b>
<p>The individual attendance information for the directors at the meetings of the Board of Directors are as follows:            Ignacio de Colmenares Brunet: 100.00%            José Ignacio Comenge Sánchez-Real: 90.91%            Mr Gorka Arregui Abendivar: 100.00%            Mr Oscar Arregui Abendivar: 100.00%            Mr Javier Arregui Abendivar: 100.00%            Mr Jose Guillermo Zubia Guinea: 100.00%            Mr Fernando Abril-Martorell Hernández: 81.82%            Ms Rosa García Piñeiro: 100.00%            Ms Irene Hernández Álvarez: 100.00%            Ms María Paz Robina Rosat: 100.00%            Mr Ángel Agudo Valenciano: 100.00%            Ms Carmen Aquerreta Ferraz: 100.00%            Ms Rosalía Gil-Albarellos Marcos: 100.00%</p> <p>The individual attendance information for the directors at the meetings of the Board of Directors is as follows:            Ignacio de Colmenares Brunet: 100.00%            Ms Irene Hernández Álvarez: 100.00%            Mr Gorka Arregui Abendivar: 100.00%            Mr Oscar Arregui Abendivar: 85.71%            Mr José Ignacio Comenge Sánchez-Real 100.00%            Mr Fernando Abril-Martorell Hernández: 100.00%            Mr Jose Guillermo Zubia Guinea: 100.00%</p> <p>The individual attendance information for the directors at the meetings of the Audit Committee is as follows:            Ms Carmen Aquerreta Ferraz 100,00%            Ms Irene Hernández Álvarez: 100.00%            Ms Rosa García Piñeiro: 100.00%            Mr Jose Guillermo Zubia Guinea: 100.00%            Mr Javier Arregui Abendivar; 100.00%</p> <p>The individual attendance information for the directors at the meetings of the Appointments and Remuneration Committee is as follows:            Ms María Paz Robina Rosat: 100.00%            Ms Irene Hernández Álvarez: 100.00%            Mr Fernando Abril-Martorell Hernández: 83.00%            Mr Gorka Arregui Abendivar: 100.00%            Ms Rosalía Gil-Albarellos Marcos: 100.00%</p>

The individual attendance information for the directors at the meetings of the Sustainability Committee are as follows:  
 Ms Rosa García Piñeiro: 100.00%  
 Ms María Paz Robina Rosat: 100.00%  
 Mr Javier Arregui Abendivar: 100.00%  
 Ms Rosalía Gil-Albarellos Marcos: 100.00%  
 Mr Ángel Agudo Valenciano: 100.00%

C.1.26 Indicate the number of meetings held by the Board of Directors during the year and the data about the attendance of all of its members:

<b>Number of meetings attended in person by at least 80% of Directors</b>	11
<b>% of attendance out of total votes during the year</b>	97.95
<b>Number of meetings attended in person, or representations made with specific instructions, of all directors</b>	11
<b>% of votes cast with in-person attendance and representations made with specific instructions, out of the total votes during the fiscal year</b>	100.00

<b>Remarks</b>

C.1.27 Indicate if the individual and consolidated annual accounts that are presented to the board for formulation are certified beforehand:

Yes ☒

No ☐

Identify, if applicable, the person(s) who has/have certified the individual and consolidated annual accounts of the company, for their formulation by the board:

<b>Name</b>	<b>Position</b>
Mr IGNACIO DE COLMENARES BRUNET	PRESIDENT AND CHIEF EXECUTIVE OFFICER

<b>Remarks</b>

C.1.28 Explain the mechanisms, if any, established by the board of directors to ensure that the annual accounts submitted by the board of directors to the general meeting of shareholders are drawn up in accordance with accounting regulations.

The Board of Directors Regulations (Article 16.2.10) entrust the Audit Committee with the function of ensuring that the annual accounts submitted by the board of directors to the annual general meeting of shareholders are drawn up in accordance with accounting regulations, monitoring compliance with legal requirements, the correct application of generally accepted accounting principles, and the proper delimitation of the scope of consolidation, as well as the correct application of accounting principles, reporting on proposals for amending accounting principles and criteria suggested by management. Furthermore, Article 16.2.5) of the Regulations assigns the function of supervising and evaluating the process of preparing and the integrity of financial and non-financial information to the Audit Committee. Additionally, in accordance with the provisions in Article 16.2.7) of the Regulations, the Audit Committee is responsible for establishing the appropriate relationships with the accounts auditors in order to receive information on matters that may jeopardise their independence to be reviewed by the Committee, and any other matters

related to the process of conducting the accounts audit, as well as any other communications established in audit law and in technical audit rules. Likewise, the Board of Directors Regulations (Article 42.4) provide that the Board of Directors will endeavour to finalise the accounts in such a way that there is no room for exceptions made by the auditor. However, when the board considers that it should maintain its judgement, it shall clearly explain publicly, through the chairperson of the audit committee at the general meeting, the audit committee's opinion on the content and scope of the auditor's exceptions, and a summary of such opinion will be made available to shareholders at the time of publication of the notice of the meeting, along with the other the proposals and reports of the board.

**C.1.29 Does the secretary of the board have the status of a Director?**

Yes ☐

No ☒

If the secretary does not have the status of a Director, complete the following table:

Name or corporate name of the secretary	Representative
Mr JOSÉ ANTONIO ESCALONA DE MOLINA	
Remarks	

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

In accordance with the provisions in Article 16.2.7) of the Board of Directors Regulations, the Audit Committee is responsible for establishing appropriate relationships with the account auditors in order to receive information on matters that may jeopardise their independence (in particular, so that the auditor's remuneration for their work does not compromise their quality or independence), for consideration by the Committee and any other matters related to the process of conducting the audit of accounts, as well as any other communications established in audit law and in technical audit rules. In any event, each year the Audit Committee shall receive from the account auditors or audit companies the written confirmation of their independence from the company or companies related to them directly or indirectly, as well as information on additional services of any kind provided and the corresponding fees received from these companies by the aforementioned account auditors or audit companies, or by the persons or entities linked to them in accordance with the provisions in the Account Auditing Act. Likewise, the external auditor must hold one meeting a year with the plenary session of the Board of Directors to report on the work performed and the evolution of the Company's accounting and risk situation. In addition, pursuant to Article 16.2.8, each year the Audit Committee must issue, prior to the issuance of the audit report, a report expressing an opinion on the independence of the account auditors or audit companies. In addition, Article 16.2.11) establishes that the Audit Committee should serve as a communication channel between the Board of Directors and the Auditors, evaluating the results of each audit and the responses of the management team to its recommendations and mediating in the event of discrepancies between them in relation to the principles and criteria applicable in the preparation of financial statements. The Committee will be responsible for supervising compliance with the audit contract, ensuring that the opinion on the annual accounts and the main contents of the audit report are drafted in a clear and precise manner (Article 16.2.14 of the Board of Directors Regulations). Likewise, the Board will refrain from contracting audit firms whose fees, for all matters, are greater than ten percent of their total income during the last financial year (Article 42.2 of the Board of Directors Regulations). In addition, the Board of Directors will publicly report the overall fees paid to the auditing firm for services other than auditing (Article 42.3 of the Board of Directors Regulations).

**C.1.31 Indicate whether the Company has changed its external auditor during the year. Where appropriate, identify the incoming and outgoing auditor:**

Yes ☐

No ☒

Outgoing Auditor	Incoming Auditor



Remarks

In the event that there were disagreements with the outgoing auditor, explain the content thereof:

Yes ☐

No ☒

Explanation of disagreements

C.1.32 Indicate whether the audit firm performs work for the company and/or its group other than the audit and, in that case, declare the amount of the fees received for such work and the percentage that the above amount represents out of the fees invoiced for audit work to the company and/or its group:

Yes ☒

No ☐

	Company	Group companies	Total
Amount of work other than audit (thousands of euros)	75	0	75
Amount of non-audit work / Amount of audit work (in %)	72%	0%	28%

Remarks

C.1.33 Indicate whether the audit report on the annual accounts of the previous year contains provisos. If so, indicate the reasons given to the shareholders at the General Meeting by the chairman of the audit committee to explain the content and scope of such provisos.

Yes ☐

No ☒

Explanation of reasons and direct link to the document made available to shareholders at the time of the call in relation to this matter

C.1.34 Indicate the number of years that the current audit firm has been conducting the audit of the individual and consolidated annual accounts of the company without interruption. Also, indicate the percentage representing the number of years audited by the current audit firm out of the total number of years in which the annual accounts have been audited:

	Individual	Consolidated
Number of uninterrupted fiscal years	4	4

	Individual	Consolidated
<b>Number of fiscal years audited by the current audit firm / No. of fiscal years in which the company or company group has been audited (in %)</b>	10.81%	10.81%

Remarks

C.1.35 Indicate and, if applicable, describe, if there is a procedure enabling Directors to have the necessary information to prepare the meetings of administrative bodies with sufficient time:

Yes ☒

No ☐

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

C.1.36 Indicate and, if applicable, describe, whether the company has established rules that oblige Directors to report and, where appropriate, resign when situations arise that affect them, whether or not related to their performance in the company, and that could damage the company's credit and reputation:

Yes ☒

No ☐

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

circumstances, decide, upon a report from the appointments and remuneration committee, whether or not to take any action, such as opening an internal investigation, requesting the resignation of the director, or proposing the removal of the director. This shall be reported in the annual corporate governance report, unless there are special circumstances that justify it, which shall be recorded in the minutes.

- C.1.37 Indicate, unless there have been special circumstances that have been recorded in the minutes, whether the board has been informed or has otherwise become aware of any situation affecting a director, whether or not related to their performance in the company, which could damage the credit and reputation of the company:

Yes ☐

No ☒

Name of the Director:	Nature of the situation	Remarks

In the previous case, indicate whether the Board of Directors has analysed the case. If the answer is yes, explain in a reasoned manner whether, in view of the specific circumstances, any action has been taken, such as opening an internal investigation, requesting the resignation of the director or proposing the director's termination.

Also indicate whether the board's decision has been subject to a report from the nomination committee.

Yes ☐

No ☐

Decision taken/action taken	Reasoned explanation

- C.1.38 Detail any relevant agreements signed by the company which come into force, are amended or are terminated in the event of a change in the control of the company as a result of a takeover bid, and the effects thereof.

Revolving Facility Agreement entered into on 9 May 2018 and renewed on 23 July 2021. Ence Energía y Celulosa, S.A. acted as Original Borrower and the financial institutions that underwrote the contract were Banco Santander, S.A., Banco Bilbao Vizcaya Argentaria, S.A., Caixabank, S.A., Bankinter, S.A., Banco de Sabadell S.A., Citibank Europe, PLC, Sucursal en España, Banco Cooperativo Español, S.A. and Deutsche Bank, S.A.  
It consists of a credit line of €130 million to finance Ence's corporate needs. The credit line is currently undrawn. The Final Maturity Date is set for 23 July 2026.

- C.1.39 Individually identify, when referring to directors, and in aggregate in other cases, and indicate, in detail, the agreements between the company and its Directors and administrators or employees which have compensation, guarantee or protection clauses for when said parties resign or are unfairly dismissed, or for when the contractual relationship comes to an end owing to a takeover bid or another type of transaction.

Number of beneficiaries	
Type of beneficiary	Description of the Agreement:

<p>Chief Executive Officer and management level</p>	<p><u>Chief Executive Officer:</u> 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 of the long-term incentive. 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.</p> <p>(iii) 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. (iv) During the twelve months following a Chief Executive Officer'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 Chief Executive Officer 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.</p> <p><u>Contract with a senior officer:</u></p> <p>- Only in the event that Ancala or Ence transfers by any title the totality of their respective shares in the company, the senior officer may unilaterally terminate this contract with the right to receive a gross compensation equivalent to the sum of the following amounts: (i) an annuity of the agreed annual variable remuneration that the executive was receiving at the time of termination of the</p>
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	<p>contract; and (iii) the amount of the last agreed annual variable remuneration that the executive would have received prior to the termination of the contract. This termination must take place within six months of the effective transfer of the shares described in this paragraph.</p> <p>- They will receive compensation equivalent to five months' gross remuneration in the event of termination of the contract by unilateral decision of the company for any reason, except in the case of fair disciplinary dismissal, in which case the manager will not receive any compensation. In the event that the legally applicable compensation is greater than the amount set out in this clause, the legally established compensation will be paid.</p> <p>In the event of unilateral termination by the company during the first 24 months of the employment contract, the director will be entitled to receive, by way of compensation, a gross sum equivalent to six months' fixed remuneration, except in the case of fair dismissal declared firm in a ruling, or by arbitration award or administrative resolution, cases in which the director will not be entitled to receive any compensation. During the following 12 months, the director will be entitled to receive, by way of compensation, a gross sum equivalent to three months' fixed remuneration, except in the case of fair dismissal declared firm in a ruling, or by arbitration award or administrative resolution, cases in which the director will not be entitled to receive any compensation.</p> <p>In the event of unilateral termination of the employment contract by the company, the minimum amount of compensation shall be the equivalent of nine monthly payments of the gross fixed remuneration, except in the case of fair dismissal declared final by judgement or by arbitration award, in which case the senior officer shall not be entitled to receive any compensation.</p>
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Indicate whether, in addition to the cases provided for by law, these contracts must be notified to and/or approved by the bodies of the company or its group. If so, specify the procedures, foreseen cases and the nature of the bodies responsible for approving or communicating them:

	Board of Directors	General Shareholders' Meeting
Body that approves the clauses	x	

	YES	NO
Is the General Shareholders' Meeting informed about the clauses?	x	

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

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

## C.2 Committees of the Board of Directors

C.2.1 Give details of all the committees of the Board of Directors, their members, and the proportion of Executive Directors, proprietary and Independent Directors and other external members that form them:

### EXECUTIVE COMMITTEE

Name	Position	Category
Mr IGNACIO DE COLMENARES BRUNET	CHAIRMAN	Executive
Ms IRENE HERNÁNDEZ ÁLVAREZ	MEMBER	Independent
Mr FERNANDO ABRIL-MARTORELL HERNÁNDEZ	MEMBER	Other external member
Mr JOSÉ GUILLERMO ZUBÍA GUINEA	MEMBER	Other external member
Mr ÓSCAR ARREGUI ABENDIVAR	MEMBER	Proprietary Director
Mr GORKA ARREGUI ABENDIVAR	MEMBER	Proprietary Director
Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	MEMBER	Proprietary Director

% of Executive Directors	14.29
% of Proprietary Directors	42.86
% of Independent Directors	14.29
% of other external members	28.57

Remarks

Explain the functions delegated or attributed to this committee other than those already described in section C.1.9, and describe the procedures and rules for its organisation and operation. For each of these functions, indicate their most important actions during the year and how they have exercised in practice each of the functions attributed to them, whether in law, in the articles of association or in other corporate resolutions.

Pursuant to Article 46 of the Articles of Association, the Executive Committee shall be formed by a minimum of four Directors and a maximum of eight, including the Chairman. Within these limits, the number of members is determined by the Board of Directors, ensuring the presence of at least two non-executive directors, at least one of whom must be independent (article 15.1 of the Board of Directors Regulations). It reports its agreements to the Board at the following meeting, and all the Directors are provided with a copy of the minutes of Executive Committee sessions. It has all the same powers as the Board of Directors except those which cannot be delegated under the law, the Articles of Association, or the Board of Directors Regulations.

During 2024, the executive committee held 7 meetings in which it analysed the documentation and information previously provided by the company and analysed various issues, focusing mainly on the analysis and monitoring of corporate and financial operations, framework for currency and energy hedging, and investments.

#### AUDIT COMMITTEE

Name	Position	Category
Ms CARMEN AQUERRETA FERRAZ	CHAIRMAN	Independent
Ms IRENE HERNÁNDEZ ÁLVAREZ	MEMBER	Independent
Ms ROSA MARÍA GARCÍA PIÑEIRO	MEMBER	Independent
Mr JAVIER ARREGUI ABENDIVAR	MEMBER	Proprietary Director
Mr JOSÉ GUILLERMO ZUBÍA GUINEA	MEMBER	Other external members

% of Executive Directors	0.00
% of Proprietary Directors	20.00
% of Independent Directors	60.00
% of other external members	20.00

Remarks

Explain the functions, including, where appropriate, those additional to those provided for by law, attributed to this committee, and describe the procedures and rules for its organisation and operation. For each of these functions, indicate their most important actions during the year and how they have exercised in practice each of the functions attributed to them, whether in the law or in the bylaws or in other corporate resolutions.

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

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

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

- 1) Report to the Annual General Meeting of Shareholders through the Chair of the Committee on any issues arising within its area of competence;
- 2) Propose to the Board of Directors, for submission to the Annual General Meeting of Shareholders, the appointment, contracting conditions, scope of the professional mandate, re-election, and, as the case may be, the termination or non-renewal of account auditors or auditing companies.
- 3) Ensure the independence and effectiveness of internal audits.
- 4) Regularly obtain information from the internal audit on the audit plan and its execution.
- 5) Monitor and assess the preparation process and the integrity of financial and non-financial information.
- 6) Monitor compliance with the company's internal codes of conduct.

- 7) Establish the appropriate relations with the accounts auditors to receive information on matters that could place their independence at risk for examination by the Committee.
- 8) Issue, on an annual basis, a report expressing an opinion on the independence of the auditors or audit firms.
- 9) Ensure that the Company notifies the CNMV of the change of auditor and accompanies this notification with a statement on the possible existence of disagreements with the outgoing auditor.
- 10) Ensure that the annual accounts that the Board of Directors submits to the General Shareholders' Meeting are drawn up in accordance with accounting regulations; overseeing compliance with legal requirements, the correct application of generally accepted accounting principles and the proper delimitation of the scope of consolidation.
- 11) Serve as a communication channel between the Board of Directors and the auditors.
- 12) Supervise and assess the effectiveness of the internal control and financial and non-financial risk management systems relating to the Company, and where appropriate, the group.
- 13) Monitor in general that the established internal control policies and systems are effectively implemented in practice.
- 14) Oversee compliance with the audit contract.
- 15) Provide advance notice about the Board's adoption of the corresponding agreement regarding the prospectus and the periodical financial information that the Company must provide to markets and supervisory bodies.
- 16) Establish and oversee a mechanism to enable employees and other persons associated with the Company to report potentially significant irregularities.
- 17) Report on related-party transactions to be approved by the General Meeting or the Board of Directors.
- 18) Report to the Board of Directors on all matters provided for in the Law, the Articles of Association and this Regulation and, in particular, on the creation or acquisition of holdings in special purpose entities domiciled in countries or territories considered tax havens.
- 19) Evaluate, at least once a year, its functioning.
- 20) Analyse and report in advance to the Board of Directors on the modification operations that the Company plans to carry out, their economic conditions and their accounting impact.
- 21) Supervise the communication strategy and the relationship with shareholders and investors.

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

In 2024, the audit committee held seven meetings in which, in the exercise of its functions, it monitored the main risks and their mitigation plans, as well as analysing and updating the Risk Map; reviewed the quarterly and half-yearly financial reports and the annual accounts and management report of ENCE and its consolidated group (including the annual sustainability report) to be formulated by the board of directors; approved the liquidity statements formulated in relation to the two interim dividends for the 2024 financial year approved by the board of directors; approved the annual report of the Ethics and Compliance Department; proposed the board for the appointment of the external auditor; reviewed the quarterly internal audit reports; reviewed and approved the 2023 Annual Internal Audit Report, reviewed and approved the 2024 Internal Audit Plan; reviewed and updated the Competition Compliance Programme, the Anti-Corruption and Fraud Policy, the Internal Audit Charter, and the Crime Prevention Model; analysed and reported favourably on the Cybersecurity Plan; reviewed and approved the other annual reports: tax, ethics and compliance (and its 2024 annual plan), external auditor independence, and the commission's operational and evaluation reports, including the approval of its annual work plan.

Identify the Directors of the Audit Committee who have been appointed based on their knowledge and experience in accounting, auditing, or both, and give the date that the Chairman of this Committee was appointed to this post.

<b>Names of directors with experience</b>	Ms CARMEN AQUERRETA FERRAZ/IRENE HERNÁNDEZ ÁLVAREZ/Mr JOSÉ GUILLERMO ZUBÍA GUINEA
<b>Date of appointment of the Chair for their post</b>	04 April 2024

<b>Remarks</b>



## APPOINTMENTS AND REMUNERATION COMMITTEE

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

<b>% of Executive Directors</b>	0.00
<b>% of Proprietary Directors</b>	20.00
<b>% of Independent Directors</b>	60.00
<b>% of other external members</b>	20.00
<b>Remarks</b>	

Explain the functions, including, where appropriate, those additional to those provided for by law, attributed to this committee, and describe the procedures and rules for its organisation and operation. For each of these functions, indicate their most important actions during the year and how they have exercised in practice each of the functions attributed to them, whether in the law or in the bylaws or in other corporate resolutions.

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

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

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

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

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

k) Propose measures for remuneration transparency and ensure compliance;

i) in the event that the Board has been informed that a director is in a situation which affects them and which may damage the credit of the Company, to inform the Board whether or not the Company should take any action, such as opening an internal investigation, requesting their resignation or proposing their removal;

m) Evaluate, at least once per year, their performance and the quality of their work;

n) Report on the evaluation process of the chairperson of the board and the chief executive of the company; and submit to the board the results of the board's evaluation together with a proposal for an action plan or recommendations, which may include that of the committees; and be informed of the evaluation process of senior management;

o) Propose and periodically supervise programmes to update the knowledge of the directors;

p) Report in advance on the transactions carried out, if any, by the directors on the terms established in articles 33.2, 34.1, 35.1 and 36.2 of these Regulations.

q) Supervise the communication strategy and the relationship with voting advisors.

r) Ensure that conflicts of interest do not undermine the independence of any external advice provided to the committee.

s) Any others specifically provided for in the Law, the Articles of Association and these Regulations.

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

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

In 2024, the Appointments and Remuneration Committee held a total of 5 meetings. Its most important actions in the exercise of its duties have been, among others: the review of the Annual Corporate Governance Report and the Annual Directors' Remuneration Report; the review of the information on directors' remuneration in the annual accounts and in the half-yearly financial statements; the review and approval of the annual report on the operation of the committee itself and the review of the committee's evaluation report, with the proposal of an action plan and its follow-up; the committee has also approved its Annual Work Plan. It also carried out the determination of the annual variable remuneration of senior management for 2023 and the targets associated with the annual variable remuneration for 2024, the review of the competency matrix; the review of the update of the Policy for the selection of directors and for diversity in the composition of the board of directors; the review of the mandatory content of the Ence website. It has also submitted the proposal on the degree of compliance with the objectives of cycle II of the 2019-2023 ILP and the resulting amount of the incentive for its beneficiaries, as well as the proposal of objectives for Cycle II (2024-2026) of the 2023/2027 ILP and the designation of its beneficiaries, and target salary amounts. In addition, the committee has formulated the mandatory proposals and reports relating to the re-election of directors and the appointment/re-election of positions on the several board committees.

Finally, it is worth noting the review of the organisation and talent of the Steering Committee, as well as the monitoring of its objectives, and the revision of the 2024/2028 Strategic Plan for People.

## SUSTAINABILITY COMMITTEE

Name	Position	Category
Ms ROSA MARÍA GARCÍA PIÑEIRO	CHAIRMAN	Independent
Ms MARÍA PAZ ROBINA ROSAT	MEMBER	Independent
Mr JAVIER ARREGUI ABENDIVAR	MEMBER	Proprietary Director
Ms ROSALÍA GIL-ALBARELLOS MARCOS	MEMBER	Independent
Mr ANGEL AGUDO VALENCIANO	MEMBER	Proprietary Director

<b>% of Executive Directors</b>	0.00
<b>% of Proprietary Directors</b>	40.00
<b>% of Independent Directors</b>	60.00
<b>% of other external members</b>	0.00
<b>Remarks</b>	

Explain the functions delegated or attributed to this committee other than those already described in section C.1.9, and describe the procedures and rules for its organisation and operation. For each of these functions, indicate their most important actions during the year and how they have exercised in practice each of the functions attributed to them, whether in the law or in the bylaws or in other corporate resolutions.

The Sustainability Committee is governed by Article 17 bis of the Board Regulations, and in Article 49 of the Articles of Association, which determine that it will be composed exclusively of non-executive directors, with a majority of independent directors, appointed by the Board of Directors at a number determined thereby, and have a minimum of three and a maximum of seven members. Said members will be elected from among the Company Directors, based on their experience and knowledge with regard to the responsibilities assigned to the Committee.

The Sustainability Committee meets as often as is deemed necessary for the proper performance of its functions, and in any case, four times a year. Anyone required to do so may attend the sessions of the Committee, and will have a voice but no voting rights. The Committee reports its actions to the Board of Directors periodically and whenever it deems it appropriate to do so.

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

- a) Periodically reviewing the sustainability policy and proposing to the Board of Directors that it be updated so that it is oriented towards the creation of value and the promotion of social interest, taking into account, as appropriate, the legitimate interests of the remaining stakeholders.
- b) Identifying and proposing to the Board of Directors the specific sustainability policies to be included in the Company's internal regulations.
- c) Defining and updating as appropriate the Company's sustainability strategy for its proposal to the Board, focusing on all aspects and issues identified as sustainability risks or opportunities for the Company, supervising that it is aligned with the corporate strategy and that it addresses the material aspects for the Company's stakeholders. It is also responsible for monitoring and evaluating the degree of compliance, reporting to the Board of Directors as appropriate.
- d) Reporting, prior to review by the Audit Committee and approval by the Board of Directors, regarding the elaboration and presentation process of the annual non-financial information statement (Annual Sustainability Report).
- e) Coordinating non-financial and diversity reporting processes in accordance with applicable legislation and international benchmarks.
- f) Propose the appointment of the independent third party to verify the non-financial information statement.
- g) Ensuring that the company's culture is aligned with its purpose and values.
- h) Being aware of significant legal modifications in the field of sustainability with a possible significant influence for the Company, as well as emerging trends, such as circular economy or natural capital, in order to analyse them and, where appropriate, promote action plans.

- i) Supervising and evaluating the strategy of dialogue with the different stakeholders as well as the procedures and channels of communication with them, within the scope of its competencies, ensuring that it responds to the main interests, expectations and demands of the Company's stakeholders.
- j) Being familiar with and promoting the Company's social action strategy and its community relations plans.

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

In 2024, the Sustainability Committee held five meetings. In practice, its most important actions in the exercise of its functions have been the favourable report on the consolidated non-financial information statement (Annual Sustainability Report); quarterly monitoring of compliance with the sustainability objectives corresponding to 2024, defined in line with the 2024-2028 Sustainability Master Plan; review of the information relating to sustainability contained in the periodic financial information; analysis of regulatory developments and their implications for the business; favourable report on the corporate policies approved by the board, mainly in the context of the CSRD Directive; the analysis and favourable report on the Biodiversity Plan and approval of the proposed KPIs for the period of validity thereof; the analysis and favourable report on the update of the Decarbonisation Plan; the review of ESG risks in application of the CSRD directive for their integration into the 2024 Global Risk Map; the review of the sustainability objectives and indicators linked to the renewal of the sustainable promissory note issuance programme; the approval of the committee's own operating report, the review of its evaluation report and the action plans adopted by the Company, and the approval of its annual work plan.

**C.2.2** Complete the following table with information about the number of Directors on the Board of Directors Committees at the end of the last four financial years:

	Number of Directors							
	2024 financial year		2023 financial year		2022 financial year		2021 financial year	
	Number	%	Number	%	Number	%	Number	%
<b>Sustainability committee</b>	3	60.00	3	60.00	3	40.00	2	16.66
<b>Executive Committee</b>	1	14.28	1	14.28	1	14.28	1	12.50
<b>Appointments and Remuneration Committee</b>	3	60.00	3	60.00	3	60.00	3	40.00
<b>Audit Committee</b>	3	60.00	3	60.00	3	60.00	3	60.00

Remarks

**C.2.3** Indicate, where appropriate, the existence of regulations governing the committees of the Board, where they can be consulted, and any amendments thereto during the financial year. In addition, indicate whether an annual report has been prepared voluntarily on the activities of each committee.

EXECUTIVE OR DELEGATED COMMITTEE The Executive Committee is governed both in the Articles of Association and the Board of Directors Regulations. Furthermore, the provisions of the Regulation on the functioning of the Board of Directors will apply to the Executive Committee, insofar as is possible. There are no specific regulations for the Executive Committee. The Articles of Association and the Board of Directors Regulations in force at any time can be accessed on the Company's website, at the address <a href="http://www.ence.es">www.ence.es</a> .
AUDIT COMMITTEE The Audit Committee is governed both in the Articles of Association and the Board of Directors Regulations. Furthermore, the provisions of the Regulation on the functioning of the

<p>Board of Directors shall apply to the Audit Committee, insofar as is possible. There are no specific regulations for the audit committee. The Board of Directors Regulations in force at any time can be accessed on the Company's website, at the address <a href="http://www.ence.es">www.ence.es</a>. The Audit Committee has prepared the performance report for the 2024 financial year, in accordance with the recommendations set out in Technical Guide 1/2024 of the CNMV on Audit Committees of Public-Interest Entities.</p>
<p><b>APPOINTMENTS AND REMUNERATION COMMITTEE</b> The Appointments and Remuneration Committee is governed both in the Articles of Association and the Board of Directors Regulations. There are no specific regulations for the Appointments and Remuneration Committee. The Articles of Association and the Board of Directors Regulations in force at any time can be accessed on the Company's website, at the address <a href="http://www.ence.es">www.ence.es</a>. The Appointments and Remuneration Committee has prepared the 2024 Operating Report, as recommended by the CNMV's Technical Guide 1/2019 on Appointments and Remuneration Committees.</p>
<p><b>SUSTAINABILITY COMMITTEE</b> The governing of the Sustainability Committee can be found in the Board of Directors Regulations and the Articles of Association. There are no specific regulations for the Sustainability Committee. The Board of Directors Regulations in force at any time can be accessed on the Company's website, at the address <a href="http://www.ence.es">www.ence.es</a>. The sustainability committee has drawn up the operating report for the 2024 financial year.</p>

## **D** RELATED TRANSACTIONS AND INTRA-GROUP TRANSACTIONS

- D.1** Explain, if applicable, the procedure and competent bodies for the approval of transactions with related parties and intra-group transactions, indicating the general internal criteria and rules of the company governing the abstention obligations of the directors or shareholders affected and detailing the internal reporting and periodic control procedures established by the company in relation to the related-party transactions the approval of which has been delegated by the board of directors.

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

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

- Approval by the General Meeting:  
Ence's General Shareholders' Meeting is the competent body for the approval of Related-Party Transactions whose amount or value is equal to or exceeds 10% of total asset items according to the latest annual balance sheet approved by the Company. When the general meeting is called to decide on a related-party transaction, the relevant shareholder shall not have the right to vote, except where the proposed resolution has been approved by the board of directors without the majority of independent directors voting against. The approval of the Related-Party Transaction by the General Meeting will be subject to a prior report of the Audit Committee. In its report, the committee must:  
(i) assess whether the transaction is fair and reasonable from the viewpoint of the Company and, if applicable, of the shareholders other than the related party, and (ii) report on the assumptions on which the evaluation is based and the methods used. The directors concerned may not participate in the preparation of the report.
- Approval by the Board of Directors:  
Ence's Board of Directors is the competent body to approve the remaining Related-Party Transactions not identified in the previous section. The director concerned must abstain from participating in the deliberation and voting on the corresponding resolution pursuant to laws and regulations. The approval of the Related-Party Transaction by the Board of Directors must be subject to a prior report by the Audit Committee. In its report, the committee must:  
(i) assess whether the transaction is fair and reasonable from the viewpoint of the Company and, if applicable, of the shareholders other than the related party, and (ii) report on the assumptions on which the evaluation is based and the methods used. The directors concerned may not participate in the preparation of the report.
- Delegated approval:  
Notwithstanding the above, the Company's Board of Directors may delegate the approval of the following Related-Party Transactions to delegated bodies or the senior management:
  - i) Transactions between companies forming part of the same group, which are carried out in the ordinary course of business and on an arm's length basis;
  - ii) Any transactions that are agreed: (i) by virtue of contracts whose terms are standardised and applied en masse to a large number of customers; (ii) they are made at generally established prices or rates by the party acting as the supplier of the good or service in question; and (iii) their amount does not exceed 0.5% of the Company's annual revenue.The delegated approval of these related-party transactions will not require a prior report from the Audit Committee. However, the board of directors shall establish an internal procedure for periodic information and control, in which the audit committee must participate and which will verify the fairness and transparency of said operations and, where appropriate, compliance with the legal criteria applicable to the above exceptions. The material alteration of the scope or price of a Related-Party Transaction previously approved by the relevant body in accordance with the above paragraphs, and the material modification of its duration or of any of the other essential conditions, shall require a new approval by the same body, unless the change in the Related-Party Transaction had already been taken into account at the time of its initial approval or these are mere acts of performance.

- D.2** List individually the transactions that are significant due to their amount or relevant due to their subject matter carried out between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or represented on the company's board of directors, indicating which body was competent to approve them and whether any shareholder or director affected abstained. In the case of board competence, indicate whether the proposed resolution has been approved by the board without a majority of the independent directors voting against it:

Name or company name of the shareholder or of any of its subsidiaries	% of Participation	Name or company name of the company or independent entity	Nature of the relationship	Type of operation and other information required for the assessment of the operation	Amount (thousands of Euros)	Approving body	Identification of the significant shareholder or director abstaining from voting	The proposal to the board, if any, has been approved by the board without the majority of independents voting against
No data								

Remarks

- D.3 List individually any transactions that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with the company's directors or executives, including those transactions carried out with entities that the director or executive controls or jointly controls, indicating which body was competent to approve them and whether any shareholder or director affected abstained. In the case of board competence, indicate whether the proposed resolution has been approved by the board without a majority of the independent directors voting against it:

Name(s) or company name(s) of the administrator(s) or director(s) or their controlled or jointly controlled entities	Name or company name of the company or independent entity	Relation	Nature of operation and other information required for the assessment of the operation	Amount (thousands of Euros)	Approving body	Identification of the shareholder or director abstaining from voting	The proposal to the board, if any, has been approved by the board without the majority of independents voting against
No data							

Remarks

- D.4 Individualised report on significant intra-group transactions, due to their amount or relevant due to their subject matter, carried out by the company with its parent company or with other entities belonging to the parent company's group, including the listed company's own subsidiaries, unless no other related party of the listed company has an interest in such subsidiaries or the latter are wholly owned, directly or indirectly, by the listed company.

In any case, report any intra-group transaction made with entities established in countries or territories considered to be tax havens:

Corporate name of its group entity	Brief description of operation and other information required for the assessment of the operation	Amount (thousands of Euros)
No data		

Remarks

- D.5 Itemised details of any transactions that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with other related parties in accordance with International Accounting Standards as adopted by the EU, which have not been reported under the previous headings.

Company name of the related party	Brief description of operation and other information required for the assessment of the operation	Amount (thousands of Euros)
No data		

Remarks

- D.6 Details of the mechanisms established for detecting, determining and resolving potential conflicts of interest between the company and/or its group, and its directors, executives, significant shareholders or other related parties.

<p>The mechanisms applicable during the 2024 financial year were as described below:</p> <p>Article 32 of the Articles of Association entrusts the Board of Directors with defining, through the Board of Directors Regulations, the specific obligations of Directors arising from the duty of loyalty, and in particular from the duties to maintain the confidentiality of the Company's information to which they have access during the performance of their duties, and to not carry out activities which involve effective competition with those of the Company. In addition, the Board of Directors Regulations shall focus in particular on conflicts of interest, and shall establish the appropriate procedures and guarantees for authorising or waiving them in accordance with the provisions in Articles 229 et seq. of the Capital Companies Act. With regard to conflicts of interest, the Board of Directors Regulations (Article 32) establishes that board members must refrain from participating in deliberations and votes on agreements or decisions in which they or a related person have a direct or indirect conflict of interest. The above refraining obligation shall not extend to agreements or decisions which concern them in their capacity as Directors, such as their appointment or removal for positions in the administrative body or others of similar significance. In any case, Directors must inform the Board of Directors of any direct or indirect conflict of interest which they or persons related to them may have with the Company. Conflicts of interest involving Company directors shall also be reported in the Annual Corporate Governance Report and in the notes to the annual accounts. A Director may not directly or indirectly make professional or commercial transactions with the company, unless they report the situation of conflict of interest in advance and the Board approves the transaction following the issue of a report by the Audit Committee. Through the Audit Committee, the Board of Directors will ensure that said transactions are made under market conditions and respect the principle of equal treatment of shareholders. In turn, Article 39.4 of the Board of Directors Regulations establishes that in any case the approval by the Board of Directors of the transactions described in the previous paragraph is subject to a report issued previously by the Audit Committee, in which the transaction will be assessed to establish whether it respects the principle of equal treatment of shareholders and is carried out under market conditions.</p>
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- D.7 Indicate whether the company is controlled by another entity within the meaning of article 42 of the Commercial Code, whether listed or not, and whether it has, directly or through its subsidiaries, business relations with that entity or any of its subsidiaries (other than those of the listed company) or engages in activities related to those of any of them.



Yes ☐No ☒


Indicate whether the respective areas of activity and any business relationships between the listed company or its subsidiaries on the one hand, and the parent company or its subsidiaries on the other hand, have been publicly disclosed with precision:

Yes ☐No ☐

<b>Indicate whether the respective areas of activity and any business relationships between the listed company or its subsidiaries on the one hand, and the parent company or its subsidiaries on the other hand, have been publicly disclosed with precision.</b>

Identify the mechanisms envisaged for resolving potential conflicts of interest between the other listed parent company and the other group companies:

<b>Mechanisms for resolving potential conflicts of interests</b>

## **E** RISK MANAGEMENT AND CONTROL SYSTEMS

### **E.1** Explain the scope of the company's Financial and Non-financial Risk Management and Control System, including the system for managing tax risks.

<p>Ence's Risk Management and Control System (hereinafter "RMCS") is a process that is integrated into the organisation and focused on identifying, assessing, prioritising, responding to and following up on situations that pose a threat to the company's activities and objectives. This process involves the participation of different areas of the company with specific responsibilities that cover all phases of the process.</p> <p>Ence's Risk Management System (RMS) encompasses Ence and all of the Group's companies, all of its businesses (cellulose, renewable energy, and forest), and the activities of its corporate areas, and is defined and regulated in the Risk Management and Control Policy and in the Risk Management Procedure approved by the Board of Directors. Said Risk Management and Control System is periodically revised to include best practices in this area.</p> <p>Ence's RMS has been defined pursuant to the guidelines of international reference frameworks, in particular, the Enterprise Risk Management Integrated Framework of COSO (Committee of Sponsoring Organizations of the Treadway Commission) and is periodically reviewed to incorporate the best practices in this area.</p> <p>The RMCS specifies all risk factors that have been identified for the different objectives of the organisation taking into account different scenarios and time horizons (short, medium, and long-term). The risks, like the objectives, are categorised as relating to strategy, operations, financial reporting, and regulatory compliance, as well as by origin (internal or external). Furthermore, the RMS establishes the following types of risks, according to their nature: environment risks, risks relating to information in decision-making, financial risks, organisational risks, operational risks, criminal risks, tax risk factors and reputational risks.</p> <p>In the review and update of the Risk Map carried out in November 2024, and with the objective of adapting the sustainability reporting requirements to the CSRD directive, new risks related to ESG aspects have also been included. A link has also been established between the risks that have already been identified in the Risk Map and the ESG risks, establishing traceability between the two analyses.</p> <p>Every six months, Ence identifies and assesses new risks and monitors the evolution of previously identified risks and risks that have ended or materialised in previous periods. It also updates the information relating to the controls and action plans associated with identified risks. Such monitoring and control aims to manage risks by ensuring compliance with and effectiveness of the agreed action plans and to have continuous supervision of the company's main risks.</p> <p>The result of this process is the Risk Register and Risk Map, which are presented to the Management Committee for joint discussion and evaluation. Subsequently, the Risk Register and Risk Map are</p>	
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<p>submitted to the Audit Committee for review and reporting to the Board of Directors for subsequent approval by the Board.</p> <p>The Audit Committee periodically monitors the fiscal risks facing the company in order to help the Board of Directors establish the fiscal risk management and control policy. To this end, Ence has a team of advisors and third-party experts, as well as specific resources available in the company, who have set out internal guidelines for fiscal compliance and low risk appetite in this area.</p> <p>Ence also has a Risk Management System for the prevention of offences. It includes numerous measures and controls designed to prevent or reduce as much as possible the risk of a criminal act being committed, and to ensure that the company's employees, executives, and administrators act in accordance with the law at all times as they perform their professional activities. The aforementioned Criminal Risk Management System is updated periodically and during 2024 has been certified by AENOR, in accordance with the requirements of the UNE 19601:2017 standard.</p> <p>With the aim of being able to comprehensively supervise and monitor all the Company's activities, Ence keeps a Criminal Risk Map updated, identifying all the activities that present opportunities for criminal acts and therefore criminal liability risks for Ence.</p> <p>In addition to covering offences that could result in criminal liability for Ence, other offences have been included in the criminal risk map. While these do not imply criminal liability for the legal person, committing them could lead to legal consequences for the Company as outlined in Article 129 of the Criminal Code.</p>	
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## E.2 Identify which company bodies are responsible for the preparation and execution for the Financial and Non-financial Risk Management and Control System, including the fiscal system.

<p><b>BOARD OF DIRECTORS</b></p> <p>The Board of Directors is the Company's highest decision-making body, with the exception of matters reserved for the jurisdiction of the Annual General Meeting. The Board of Directors is responsible for ensuring the integrity and correct functioning of ENCE's Risk Management and Control System, monitoring the risks identified and the agreed upon control measures and action plans to manage threats to the company's objectives.</p> <p>The policy adopted by Ence's Board of Directors is to delegate company management in order to concentrate on its supervisory role, but cannot delegate non-delegable powers in accordance with the provisions of the Capital Companies Act (article 5.3 of the Board of Directors Regulations).</p> <p><b>AUDIT COMMITTEE</b></p> <p>The Audit Committee assists the Board of Directors with its monitoring and control functions by supervising the efficiency of the Company's internal control, internal auditing and the process of preparation and presentation of financial and non-financial information (article 51 of Articles of Association 16.3, 16.4 and 16.5 of the Board of Directors Regulation).</p> <p>Furthermore, article 16.2.12 of the Board of Directors Regulations empowers the Audit Committee to <i>"supervise and evaluate the effectiveness of the internal control and financial and non-financial risk management systems relating to the company and, where appropriate, the group, including operational, technological, legal, social, environmental, climate, political, and reputational risks, or risks related to corruption; and discuss with the auditors or audit firms any significant weaknesses in the internal control system detected during the course of the audit."</i></p> <p><b>INTERNAL AUDIT DEPARTMENT</b></p> <p>Ence has an internal audit function, reporting directly to the Audit Committee, which has the following responsibilities:</p> <ul style="list-style-type: none"> <li>• Developing the Group's risk management procedures and criteria and presenting them, via the Audit Committee, to the Board of Directors for their approval.</li> <li>• Ensure that risk management procedures and criteria that have been approved by the Board of Directors are correctly implemented</li> <li>• Providing support and guidance for risk managers in all areas related to risk management.</li> <li>• Advising the Audit Committee of any identified risks to be approved by the aforementioned, as well as the plans and actions proposed by the risk manager.</li> <li>• Developing and periodically updating the risk map based on previously approved action plans and proposals.</li> <li>• Informing the Board of Directors, via the Audit Committee, about risks that have emerged, underlining the circumstances that caused them and if the established control systems have worked.</li> <li>• Periodically monitoring the extent to which approved action plans are implemented.</li> <li>• Periodically informing the Audit Committee of the emergence of new risks, the evolution of those identified, the extent to which action plans are being implemented, and the general operation of the risk management system.</li> </ul> <p><b>ETHICS AND COMPLIANCE COMMITTEE</b></p> <p>The Ethics and Compliance Committee, which reports directly to the Board of Directors Audit Committee, is responsible for defining and updating Ence's criminal risk map, which identifies the</p>	
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company's activities within the scope of which the criminal offences that must be prevented may be committed. Its main functions are to:

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

#### RISK MANAGERS

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

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

**E.3** Indicate the main financial and non-financial risks, including fiscal risks and, to relevant extents, those risks deriving from corruption (the latter being understood within the scope of Royal Decree-Law 18/2017), which may affect the achievement of the business objectives.

Objective of strengthening our position in European cellulose: ENCE is working to create its own global brand by developing new products to differentiate itself from its competitors. This objective could come under threat if Ence were unable to produce the products that its clients demand, or were not able to obtain a sufficient amount of certified wood that meets the standards generally accepted in the global pulp market.

Objective of optimising operating costs: Ence has made it a priority to improve efficiency in its operations by optimising its production costs throughout its value chain, which could be threatened by rising costs of raw materials, consumables, other industrial supplies and spare parts, logistics and transport, wage costs, strikes or loss of competitiveness.

Minimise the impact of our operations on the environment: The cellulose business is carried out in industrial facilities, involving a continuous process which poses risks inherent in all industrial activity. Complying with current legislation is a priority for Ence, as well as reducing to any risks that could potentially harm the company's natural, environmental, or social context to a minimum.

Business continuity objectives: The concession for the Pontevedra biofactory of 1958 was extended in January 2016 for a period of 60 years by the Ministry of Agriculture. This resolution was challenged by the Pontevedra City Council, Greenpeace Spain and the Association for the Defence of the Pontevedra Estuary (APDR) in three legal proceedings before the National High Court, in which the MAGRAMA, together with Ence as co-defendant, defended the legality of the extension. In March 2019, the Ministry for Ecological Transition (formerly MAGRAMA), filed a letter of acquiescence in the three proceedings.

The Spanish High Court issued three rulings upholding the appeals, annulling the ministerial resolution to extend the concession, on the grounds that it does not justify the need for the biofactory, due to its nature, to be located in DPMT, nor does it allege reasons of public interest to defend its location. Faced with this court ruling, Ence lodged appeals, and the Supreme Court confirmed, in judgements of 6 March 2023, the legality of the extraordinary extension of the concession, clearing up all doubts and rendering null and void the possible risks reported in 2022.

The Supreme Court, in rulings dated 6 March 2023, upheld the appeals lodged by Ence and confirmed the legality of the extraordinary extension of the concession of the Company's biofactory in Pontevedra for a period of 60 years, i.e. until 2073.

Subsequently, the State Attorney's Office, the Pontevedra City Council and Greenpeace filed motions for annulment of the Supreme Court's rulings on the appeals. These incidents have been resolved by means of an order by the Supreme Court, rejecting the nullity of the sentences and confirming their validity.

The cassation appeal lodged by ENCE and other entities against the ruling of the Spanish High Court in the proceedings brought by the APDR, also related to the extension of the concession, is currently being processed, and was suspended by decision of the Supreme Court until the other two appeals, which have already been favourably resolved, are processed. It is expected that the appeal will be decided by a judgement on the same terms as the two previous appeals.

Both the State Attorney's Office and the Pontevedra City Council have filed appeals for protection before the Spanish Constitutional Court. The first was rejected as inadmissible by order of the Spanish Constitutional Court. The second is still awaiting a decision on admission.

On the other hand, and taking into account that during the second half of 2023, Ence saw the risk of water restrictions materialise in the area surrounding our operations, with an impact on the total or partial interruption of the supply to our plants, and therefore an impact on the company's income, the company has established ambitious targets for reducing water consumption in its facilities, which are reviewed monthly by the management committee and the board of directors, having achieved significant reductions in recent years. In addition, and as a consequence of this risk materialising in the Pontevedra biofactory, Ence has set up a facility with equipment and technology for the recovery and recirculation of process water, thus reducing the requirements for incoming water. Additionally, at the Navia biofactory, measures have also been designed to prevent the risk of unavailability of water resources in order to reduce its dependence on current sources of supply. Ence will invest around €5 million in the engineering of the project in 2024 and additional investments will be approved in the coming years to mitigate this risk.

Financial discipline objectives: Ence conducts business in complex economic environments that require financial discipline measures to mitigate the following risks:

- a) PULP PRICE VOLATILITY: on the world market influenced by global production or demand.
- b) EXCHANGE RATE VOLATILITY The price of pulp is set in dollars, with the euro/dollar exchange rate having an impact on revenue.
- c) COMMERCIAL CREDIT RISK - CELLULOSE: regarding clients.
- d) LIQUIDITY AND CAPITAL RISKS Exposure to adverse equity market situations could hinder or impede the ability to cover the financial needs for the development of activities and Ence's Strategic Framework.

Objective of guaranteeing occupational quality, health, and safety: The objective of ongoing improvement in the areas of occupational health in facilities and work centres and safety could be threatened by risks inherent to the company's activities. Ence has specific prevention regulations but they do not entirely eliminate the risks.

Regulatory compliance objectives: The BREF regulation applies more restrictive values for production and emissions, leading to the need for investments and new environmental control and improvement systems. Ence also has a Criminal Risk Management System, with measures and controls to prevent or mitigate the risk of crimes being committed.

Fiscal risk control objectives: It is a high priority for Ence to ensure that all activities and operations are developed in compliance with the applicable tax legislation. The Audit Committee monitors tax risks.

#### E.4 Identify if the organisation has risk tolerance levels, including fiscal risk.

In accordance with ENCE's Risk Management and Control Policy, the company has implemented a methodology for assigning specific risk appetite levels based on the activities carried out. The Company's degree of risk acceptance is contingent on ensuring that the potential benefits and risks are fully understood prior to decision-making and, where appropriate, reasonable measures are put in place to manage such situations.

ENCE analyses each situation based on the relationship between risk and return. In this respect, the analysis involves factors such as strategy, stakeholder expectations, current legislation, the environment, and relationships with third parties:

1. ENCE adopts a zero risk appetite level for all situations in which the health and safety of employees and collaborators could be compromised, a priority in its actions.
2. ENCE has a focus on minimising its exposure to situations related to compliance with legislation and regulations affecting the company, especially with regard to the impact that its operations may have on the environment and the surroundings in which it operates, as well as the Group's reputation with third parties and the continuity of the business.
3. ENCE has a team of external advisors as well as specialised internal staff who have set internal guidelines for tax compliance and zero risk assumption in this area.
4. ENCE adopts a moderate level of risk appetite for situations related to the research, development, and innovation of its products, aimed at providing solutions that fully meet the needs of its customers and making the company a benchmark in the pulp market.
5. Likewise, aware of the current difficulties in relation to the economic environment in which it operates, Ence is committed to establishing financial discipline that will enable it to keep the organisation's total debt under control and provide it with sufficient liquidity to meet its

<p>payments and priority investments. In this respect, the company adopts a low risk appetite for speculative financial transactions.</p> <p>6. However, a large volume of ENCE's operations are associated with the exchange rate between the US Dollar (\$) and the Euro (€). ENCE, aware of the economic situation and the evolution of the exchange rate between the two currencies, adopts a low risk appetite in this area through rigorous management in accordance with the guidelines set by the Board of Directors Executive Committee and, where appropriate, the Finance Department.</p>

**E.5 Indicate the financial and non-financial risks, including fiscal risks, that have arisen during the period.**

<p>The following risks have materialised during the 2024 financial year:</p> <p>a) <u>VOLATILITY IN THE PRICE OF PULP</u>: The price of pulp is established on an active market the evolution of which significantly affects Ence's revenue and profit. During 2024, the existence of uncertainty scenarios in the pulp market and the global macroeconomic and geopolitical context has affected the Company's profit.</p> <p>b) <u>VOLATILITY OF THE DOLLAR</u>: The euro to dollar exchange rate proved to be extremely volatile in 2024, around 5%. Ence has periodically monitored the foreign exchange market in order to contract financial hedges and/or futures to mitigate impacts, if necessary.</p> <p>c) <u>OPTIMISING OPERATING COSTS (CASH COST)</u>: In the volatile environment in which ENCE does business, given the inherent characteristics of the business and the global macroeconomic situation, the company has made it a priority to improve the efficiency of its operations by optimising its production costs. In this regard, the upward variation of costs associated with raw materials such as wood and biomass, chemicals, fuel, gas, industrial supplies and spare parts, logistics and transport, are risk factors that Ence has had to address in 2024.</p> <p>d) <u>VOLATILITY OF THE MARKET PRICE OF ENERGY VERSUS THE REGULATED PRICE</u>: The possible existence of differences between the market price for the sale of electrical energy and the regulated price set at the beginning of the period (quarter) using a basket of futures contracts with different terms, can generate potential losses if the market price is lower than the regulated price.</p> <p>e) <u>REGULATORY CHANGES IN THE ENERGY MARKET</u>. As a result of the regulatory modifications in the energy production regulations that affect the Group in the calculation to obtain the premiums of the specific regime (RI and RO), future remuneration could decrease and therefore affect the Company's profitability.</p> <p>f) <u>LOW LEVEL OF WOOD OR BIOMASS STOCK</u>: Risk derived from an insufficient supply of wood in the areas where the biofactories are located is managed mainly through access to alternative markets that usually incorporate a higher logistical cost and a greater presence in the market through the purchase of standing timber, contingency plans and minimum stocks to guarantee operations.</p> <p>In terms of biomass, different competing situations in the biomass market can lead to tensions resulting in a lack of sufficient material to supply plants or supply at an uncompetitive price for energy production.</p> <p>g) <u>UNAVAILABILITY OF CRITICAL FACILITIES IN PULP BIOFACTORIES</u>. There are a number of events that may entail risks of damage to internal facilities or to the external infrastructure required for the operation of the biofactories. The root cause of these events may be of an operational nature, either due to operator action, deficiencies in the safety systems of the facilities, or fortuitous events unrelated to the operation. In addition, these deficiencies may be caused by the non-execution of investment plans; inadequate, non-executed or poorly planned maintenance schedules; modifications to facilities; inadequate design of installations or equipment; process changes, etc., leading to the unavailability or obsolescence of facilities or critical equipment.</p>
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**E.6 Explain the response and monitoring plans for the entity's main risks, including fiscal risks, as well as the procedures followed by the company to ensure that the board of directors responds to new challenges**

<p><u>Objective of developing new products</u>: Ence draws up short-, medium- and long-term response plans based on an analysis of market scenarios, the environment, availability of raw materials, etc. The response adopted is to improve customer relations and production processes. In response to this risk, Ence develops special products, adapted to the needs of its customers and market trends, with the aim</p>
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to differentiate itself from its competitors. These include developments in pulp with the potential to replace plastics, e.g. in the bag segment. In addition to developing new and adapted products, Ence ensures that its products meet the requirements demanded by its customers, such as sustainable forest management and chain of custody certification with internationally recognised standards.

Objective of optimising operating costs: The adopted response is to identify the most competitive goods and services, improve our negotiation capacity and expand the pool of suppliers. Insufficient supply of timber around factories is managed through better commercial planning and logistics, with short-, medium- and long-term milestones, as well as increased market presence through standing trees purchase, increased number of cutting equipment and increased operating capacity, contingency plans and minimum stocks to ensure operations. In addition, the company is working to minimise the impact of the following risks:

- Strikes by third parties. Communication and joint management policies are in place with suppliers to anticipate these situations and seek alternatives.
- Costs associated with specific regulations. Ongoing relationship with key stakeholders and participation in industry and environmental associations.
- Technological advance of the competition. Ongoing improvement of operations, ongoing monitoring of technological innovations and their suitability with a view to their possible adoption by Ence.

Objective of minimising the impact of our operations on the environment: Ongoing improvements and investments are made in facilities to reduce the risk of environmental impact, pursuant to the regulatory requirements of the Comprehensive Environmental Authorisations of each production centre.

Business continuity objectives: Ence carries out a continuous exercise of analysing the different scenarios and different time horizons that could affect Ence as a result of catastrophes and natural disasters, pandemics, fires, etc. by means of a risk assessment and the identification of preventive measures aimed at minimising the impact of the potential scenarios.

The response adopted consists of preventing risks and minimising their impact should they materialise through the Comprehensive Quality, Environment and Safety Management System based on the UNE-EN-ISO 14001 standard.

Financial discipline objective.

- Volatility in the price of pulp: Ence has a Global Risk Committee to mitigate this risk, which periodically monitors the development of the cellulose market.
- Exchange rate volatility: there is continuous monitoring of the foreign exchange market and of the evolution of the dollar and euro exchange rates, with a differentiated strategy in the short, medium and long-term.
- Volatility of the energy market price: the company monitors the energy market pool, having defined and implemented a short, medium and long-term strategy.
- Interest rate volatility: the most important financial operations are linked to fixed interest rates.
- Commercial credit risk: cellulose: this is mitigated by assuring practically all of the sales and financial credit risk, by dealing with counterparts with excellent credit ratings and establishing contracting limits with periodic reviews.
- Liquidity and capital risk: The Finance General management prepares a Financial Plan which encompasses all financial requirements and the way in which they will be covered.

Objective of guaranteeing occupational quality, health and safety. Plans for occupational hazard prevention are in place, based on training and maintaining integrated management systems and obtaining ISO 45001 certification. External and internal audits are also carried out to verify compliance with the applicable occupational health and safety legislation.

Regulatory compliance objective. Participation in decision-making forums on the new regulations applicable (BREF) and definition of the most important investments needed in the short, medium and long-term to adapt to the new regulations.

Ence has implemented a criminal risk management system certified by AENOR in 2024 in accordance with the UNE 19601:2017 standard. This includes measures and controls that are designed to prevent or mitigate any criminal act committed within our organisation, and guarantee the legality of actions carried out by Company employees or Directors in the course of their professional activities, at all times.

Fiscal risk control objectives.

The Audit Committee periodically monitors all risks, especially the fiscal risks of the company, in order to assist the Board in their task of determining the management policy and control of fiscal risk.

Ence also has a team of advisors and experts, combined with the availability of the company's dedicated resources, that have established internal fiscal compliance guidelines and lowered the risk assumed in this area. Ence has a Tax Policy, approved by the board of directors, which reflects the principles of the Code of Good Tax Practices, with the objective of supporting ENCE's long-term business strategy by avoiding fiscal risks and inefficiencies in the execution of business decisions.

## **F INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS IN RELATION TO THE FINANCIAL REPORTING PROCESS (SCIIF)**

Describe the mechanisms that comprise the internal risk management and control systems with the financial reporting process (SCIIF) of your organisation.

### **F.1 The entity's control environment**

Report, indicating their main characteristics, at least:

**F.1.1. Which bodies and/or functions are responsible for: (i) the existence and maintenance of an adequate and effective SCIIF; (ii) its implementation; and (iii) its supervision.**

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

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

1. Proposing to the Board of Directors, for submission to the Annual General Meeting of Shareholders, the appointment, contracting conditions, scope of the professional mandate, re-election, and, as the case may be, the termination or non-renewal of account auditors or auditing companies.
  2. Supervising the Company's internal audit based on the annual internal audit plan presented by the Head of this area every financial year, the information supplied about incidents that have arisen during the period, and activities that the Head of the internal audit submits for the Committee's consideration at the end of every financial year.
  3. Ensure the independence and efficiency of the internal audit's functions, propose the selection, appointment, re-election, and removal of the Head, propose a budget, examine the information that this system periodically generates about its activities, check that senior management have taken note of the reports' conclusions and recommendations, and approve its guidance and work plans, ensuring that its activity is concerned mainly with the risks that are relevant to the Company.
  4. Monitor and assess the preparation process and the integrity of financial and non-financial information
  5. Review the Company's accounts, monitor compliance with legal requirements, the correct application of generally accepted accounting principles, and the scope of the consolidation perimeter, as well as reporting on proposals to modify the accounting principles and criteria suggested by management.
  6. Supervise and assess the effectiveness of the internal control and financial and non-financial risk management systems relating to the company and, where appropriate, the group, including operational, technological, legal, social, environmental, climate, political, reputational, and corruption-related risks; and discuss with the auditors or audit firms any significant weaknesses in the internal control system detected in the course of the audit.
  7. Monitor in general that the established internal control policies and systems are effectively implemented in practice.
  8. Providing advance notice about the Board's adoption of the corresponding agreement regarding the prospectus and the periodic financial information that the Company must provide to markets and supervisory bodies.
  9. Establish and supervise a mechanism which enables employees to communicate confidentially, and if deemed appropriate, anonymously, any potentially important irregularities, especially financial and accounting issues, that are of concern within the company.
- Ence's Corporate Finance Department is responsible for defining the Internal Control Over Financial Information (ICFR) System. In this context, it establishes and communicates the policies, directives, and procedures related to the preparation of this information to ensure the quality and reliability of the financial information generated.

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

**F.1.2. Should they exist, particularly in relation to the preparation process of financial information, the following elements:**

- Departments and/or mechanisms responsible for: (i) to design and review of the organisational structure; (ii) to clearly define lines of responsibility and authority, with an appropriate distribution of tasks and authority; and (iii) that sufficient procedures are in place for properly communicating this within the organisation.

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

- Code of conduct, approving body, level of dissemination and education, the included principles and values (indicating whether there are specific mentions of the registration of operations and preparation of financial information), the body responsible for analysing non-compliance and for proposing corrective measures and penalties.

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

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

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

Throughout 2024, the Ethics and Compliance Department continued to run training sessions on Criminal Enforcement, targeted to all of the Group's employees.

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

- A whistle-blowing channel, that allows for the communication of financial or accounting irregularities to the Audit Committee, as well as possible non-compliances of the Code of Conduct and irregular activities in the organisation, informing in a confidential nature whenever applicable and if it allows anonymous communications to be made while respecting the rights of the complainant and the subject of the complaint.

Ence has procedures in place related to the management of the aforementioned internal information channel as required by Act 2/2023 on the protection of people who report regulatory infringements and the fight against corruption, included in a Policy and Procedure for managing this channel.

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

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

Through the aforementioned internal communication channel, financial and/or accounting, non-financial, events or acts contrary to the Law, the Code of Conduct, and Ence's procedures and internal regulations can be reported. This channel is a tool that guarantees the confidentiality of anyone who



reports directly to the company's governing bodies any of the irregularities described above, whether they have identified themselves when making the report or have done so anonymously.

Management of the internal reporting channel is the responsibility of the Ethics and Compliance Department. In addition, the Audit Committee is the body responsible for adopting measures to improve compliance and for settling any doubts regarding interpretation. Likewise, it controls and monitors that all internal communications received are dealt with and managed in an adequate, complete, independent, and confidential manner.

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

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

- Training programmes and regular refresher courses for staff involved in the preparation and review of financial reports, as well as the assessment of the SCIIF, which covers at least accounting rules, audits, internal controls and risk management.

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

## F.2 Risk assessment in financial information

Report, at least, of:

F.2.1. What are the principal characteristics of the process for identifying risks, including errors and fraud, in relation to:

- The existence and documentation of such a process.

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

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

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

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

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

Ence's Board of Directors undertakes the review and update of internal regulations in this field, which constitutes a permanent commitment to monitoring and sanctioning fraudulent acts and conduct or

conduct conducive to corruption in all its manifestations, carried out by the individuals included within its scope of application.

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

The process is based on the integrated management of different business processes aimed at strategic objectives, including risks related to financial reporting. The latter process covers the full range of financial reporting objectives (existence and occurrence, completeness, valuation, presentation, disclosure and comparability, and rights and obligations).

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

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

- The existence of a process for identifying the scope of consolidation, considering, among other things, the possible existence of complex corporate structures or special purpose vehicles.

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

- Whether the process considers the effects of other risk types (operating, technological, financial, legal, reputational, environmental, etc.) to the extent that they may affect the financial statements.

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

Furthermore, Ence has established a Risk Management System for the prevention and detection of offences. It includes many measures and controls designed to prevent or reduce as much as possible the risk of a criminal act being committed within our organisation. It is also aimed at ensuring that the professional activities of the company's employees and managers are at all times legal. The aforementioned Criminal Compliance Management System was certified by Aenor in 2024, pursuant to UNE 19601:2017.

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

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

In 2024, Ence developed and implemented internal policies and procedures to reduce its exposure to specific offences.

- Which of the entity's governing bodies supervises the process.

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

### F.3 Control activities

State whether the company has any of the following and describe their principal characteristics:

**F.3.1.** Procedures for the review and authorisation of financial reports and for the description of the SCIIF, to be published on stock exchanges, and identification of those responsible. Procedures for the description of operational cash flows and controls (including those for the risk of fraud) of the different types of transactions that could materially affect the financial statements, including the procedure for closing accounts and the specific review of estimates, assumptions, valuations and projections.

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

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

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

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

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

Finally, a system for reviewing said processes has been established to ensure they are kept up-to-date.

**F.3.2.** Internal control policies and procedures for information systems (including access security, change tracking, system operation, operational continuity and separation of functions) which support the entity's processes in the preparation and publication of financial reports.

Ence has an Information System Security Policy that regulates access, changes made, system operation, operational continuity, and separation of functions across the entire applications map, including the infrastructure, with a special focus on the financial reporting systems. The security rules described therein, and the prevention and detection controls set out in the systems, protect the financial information.

**F.3.3.** Internal control policies and procedures for supervising the management of outsourced activities, including evaluation, calculation or valuation activities assigned to independent experts, which could materially affect the financial statements.

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

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

#### **F.4 Information and communication**

State whether the company has any of the following and describe their principal characteristics:

- F.4.1. A specific department in charge of defining and updating accounting policies (accounting policy department or section), resolving questions or conflicts resulting from the interpretation of those policies, maintaining open communication with operation managers of the organisation, as well as an up-to-date accounting policy manual circulated among the entity's business units.

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

- F.4.2. Mechanisms for capturing and preparing financial information in standardised formats along with application and use mechanisms for all company and group units, which support the main financial statements and notes, as well as information explaining the SCIIF.

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

The preparation of the consolidated financial statements is carried out centrally on the basis of the financial statements provided by each subsidiary of the Group in the established formats. The consolidation process has established checks to ensure the accuracy of the consolidated financial statements, in accordance with the Consolidation Procedure and the Inter-company Transactions Procedure.

#### **F.5 Supervision of the system's operation**

State, along with their main characteristics, at least:

- F.5.1. The SCIIF supervisory activities performed by the Audit Committee and whether the entity has an internal audit department that, among other duties, assists the committee in its supervisory role over the internal control system, including the SCIIF. Furthermore, state the scope of the SCIIF assessment conducted during the year and the procedure used by the assessor to disclose the results, whether the entity has an action plan detailing any corrective measures, and whether their impact has been considered in the financial reports.

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

During the 2024 financial year, the Internal Audit Department informed the Audit Committee every quarter of the progress of the audit plan, the conclusions reached, and the results of its activities. It also provided the Committee with its recommendations, highlighting in particular aspects related to financial reporting and the ICFR, as well as the progress of the action plans implemented to reduce any internal control failings.

As part of its 2024 Audit Plan, approved by the Audit Committee, supervisory activities were carried out on the internal control over financial reporting. In particular, Ence has a plan in which all the processes relevant to the SCIIF are reviewed in a 3-year cycle. Failings detected in audits are notified to the relevant departments, along with the corresponding corrective action.

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

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

**F.5.2. Whether there is a communication procedure by which the accounts auditor (in accordance with the Auditing Standards), the internal audit department and other experts can notify the executive management and the Audit Committee or company Directors of any significant internal control failings discovered during the review of the annual accounts or other assigned reviews. State also whether there is an action plan for correcting or mitigating any detected failings.**

In accordance with the Board of Directors Regulations, the Audit Committee is responsible for the preparation, submission, and monitoring of regulated financial reports. It must also ensure the effectiveness of the Company's internal control and the internal control and risk management systems, including the Internal Control over Financial Reporting Systems.

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

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

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

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

## **F.6 Other relevant information**

Not applicable

## **F.7 External auditor's report**

Report of:

**F.7.1. Whether the SCIIF information provided to markets was submitted to the external auditor for review, in which case the entity should include the**

auditor's report as an appendix. Otherwise, the entity should state its reasons for not doing so.

The SCIF information provided to markets for the 2024 financial year was submitted to the external auditor for review. The external auditor's report on the information is enclosed as an annex.

## **G** DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

State the extent to which the company has complied with the recommendations of the Unified Good Governance Code of Listed Companies.

Where a recommendation has not been fully complied with, a detailed explanation must be included so that shareholders, investors and the market in general receive sufficient information to assess the company's course of action. Explanations of a general nature are not acceptable.

- 1. The Articles of Association of listed companies should not limit the maximum number of votes held by a single shareholder, nor contain any other restrictions that may obstruct gaining control of the company through the purchase of shares on the open market.**

Fully compliant ☒ Explain ☐

- 2. When the company is controlled by another entity within the meaning of article 42 of the Commercial Code, whether listed or not, and whether it has, directly or through its subsidiaries, business relations with that entity or any of its subsidiaries (other than those of the listed company) or engages in activities related to those of any of them, inform publicly and precisely regarding:**

- a) The respective areas of activity and any business relationships between the listed company or its subsidiaries on the one hand, and the parent company or its subsidiaries on the other hand.**

- b) The procedures in place to resolve any possible conflicts of interest.**

Fully compliant ☐ Partially compliant ☐ Explain ☐ Not applicable ☒

- 3. During the Annual General Shareholders' Meeting and in addition to the release of the Annual Corporate Governance Report, the chairperson of the Board of Directors should inform the shareholders, in person and with sufficient detail, of the most relevant aspects of the company's corporate governance and, especially:**

- a) Any changes that have occurred since the previous Annual General Shareholders' Meeting.**

- b) The actual reasons why the company does not comply with any of the recommendations in the Corporate Governance Code, and of any alternative rules in this area that may exist.**

Fully compliant ☒ Partially compliant ☐ Explain ☐

- 4. The company should establish and promote a policy of communication and contact with shareholders, and institutional investors within the framework of their involvement in society, as well as proxy advisors, which fully observes the rules on market abuse and treats all shareholders in the same position alike. The company should make said policy public on its website and include information on how it is being implemented, along with the identities of those responsible for carrying it out.**

And, without prejudice to the legal obligations to disclose inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through the channels it deems appropriate (media, social media or other

channels) that contributes to maximising the dissemination and quality of the information available to the market, investors and other stakeholders.

Fully compliant ☒ Partially compliant ☐ Explain ☐

5. The Board of Directors should not submit to the General Shareholders' Meeting any proposal for the delegation of powers that would allow the issuance of shares or convertible securities without preemption rights at an amount greater than 20% of the share capital at the time of the delegation.

Where the Board of Directors approves any issuance of shares or convertible securities without preemption rights, the company should immediately publish the reports on said exclusion of preemption rights with reference to the relevant legislation on its website.

Fully compliant ☒ Partially compliant ☐ Explain ☐

6. Listed companies that necessarily or voluntarily prepare the reports mentioned below should publish them on their websites sufficiently in advance of the Annual General Shareholders' Meeting, even if their disclosure is not mandatory:

a) Report on the independence of the auditor.

b) Reports on the operations of the Audit Committee and nomination and remuneration committee.

c) Report by the Audit Committee on transactions between related parties.

Fully compliant ☒ Partially compliant ☐ Explain ☐

7. The company should broadcast General Shareholders' Meetings live via its website.

And the company has mechanisms that enable proxy voting and voting by telematic means and even, in the case of large cap companies and to the extent proportionate, attendance and active participation in the General Meeting.

Fully compliant ☒ Partially compliant ☐ Explain ☐

8. The Audit Committee should ensure that the annual accounts submitted by the board of directors to the general meeting of shareholders are drawn up in accordance with accounting regulations. And in those cases in which the auditor has included any reservations in their audit report, the chair of the audit committee should clearly explain this at the general meeting, the audit committee's opinion on the content and scope, and a summary of such opinion will be made available to shareholders at the time of publication of the notice of the meeting, along with the other the proposals and reports of the board.

Fully compliant ☒ Partially compliant ☐ Explain ☐

9. The requirements and procedures accepted for a shareholder to prove ownership of shares, the right to attend General Shareholders' Meetings and the exercise or delegation of voting rights should always be accessible on the company's website.

Such requirements and procedures should encourage, without distinction, the attendance and exercise of rights by shareholders.

Fully compliant ☒ Partially compliant ☐ Explain ☐



**10. Where any genuine shareholder exercises the right to add items to the agenda or submit new resolution proposals prior to the General Shareholders' Meeting, the company should:**

- a) Immediately publish such additional items and new resolution proposals.
- b) Publish the example of the attendance card or form for proxy voting or absentee voting with the necessary changes to allow voting on the new agenda items and resolutions proposals under the same terms as the Board's proposals.
- c) Submit all new items and proposals to a vote and apply the same voting rules as those for the Board's proposals, including rules of presumption or inference in how votes are cast.
- d) Following the General Shareholders' Meeting, release the breakdown of votes cast on such additional items or alternative proposals.

Fully compliant ☐ Partially compliant ☐ Explain ☐ Not applicable x☐

**11. If the company levies an attendance fee for General Shareholders' Meetings, it should establish beforehand a general policy on such fees and said policy should be consistent.**

Fully compliant ☐ Partially compliant ☐ Explain ☐ Not applicable x☐

**12. The Board of Directors should perform its functions with uniform purpose and independence of judgement, treat all shareholders in the same position alike and be guided by the company's interest which is understood as establishing a sustainable, profitable business in the long term which promotes the company's continuity and maximises its economic value.**

As part of acting in the company's interests and observing laws, regulations and behaviour based on good faith, ethics and the respect for customs and generally accepted good practices, the board should seek to reconcile the company's interests with, where applicable, the legitimate interests of its employees, suppliers, customers and other stakeholders who may be affected, including the effect of the company's activities on the community at large and the environment.

Fully compliant x☐ Partially compliant ☐ Explain ☐

**13. The Board of Directors should be of the requisite size to function effectively and collaboratively, i.e. between five and fifteen members.**

Fully compliant x☐ Explain ☐

**14. The board of directors should adopt a policy aimed at encouraging an appropriate composition of the board of directors and that it:**

- a) Is practical and verifiable;
- b) Ensures that appointment or re-election proposals are based on a prior analysis of the Board's needs; and
- c) Favours diversity of knowledge, experience, age and gender. For these purposes, measures that encourage the company to have a significant number of female senior managers are considered to be conducive to gender diversity.

The result of the prior analysis of the Board's needs should be supplied in the supporting report prepared by the appointments committee. The report itself should be published upon issuance of the notice for the General Shareholders' Meeting at which the confirmation, appointment or re-election of each Director will be submitted to a vote.

The appointments committee should verify compliance with this policy on an annual basis and state its findings in the Annual Corporate Governance Report.

Fully compliant ☒ Partially compliant ☐ Explain ☐

15. Proprietary and Independent Directors should form the majority of Board members and the number of Executive Directors be as few as necessary, taking into account the complexity of the company group and the percentage of shares held by the Executive Directors in the company.

And the number of female directors should represent at least 40% of the members of the board of directors before the end of 2022 and onwards, not being less than 30% before then.

Fully compliant ☐ Partially compliant ☒ Explain ☐

16. The proportion of Proprietary Directors to the total number of non-Executive Directors should not be greater than the proportion of share capital represented by said Proprietary Directors to the total share capital.

This criteria may be relaxed:

- a) For large cap companies which have few shareholders considered as having a significant shareholding under the law.
- b) For companies with a plurality of shareholders represented on the Boards of Directors and who are not related to one another.

Fully compliant ☒ Explain ☐

17. At least half of all Directors should be Independent Directors.

However, for non-large cap companies or where a large cap company has one or more shareholders acting together and controlling more than 30% of the share capital, Independent Directors should represent at least one-third of all Directors.

Fully compliant ☒ Explain ☐

18. Companies should publish the following information about their Directors on their website and keep it up-to-date.

- a) Professional profile and biography.
- b) Other Boards of Directors on which they sit, whether belonging to listed companies or otherwise, as well as any other paid activities they perform regardless of the type of activity.
- c) The type of Directorship held; in the case of Proprietary Directors, the shareholder they represent or are linked with should be named.
- d) The date of their original appointment to the board of the company and subsequent re-elections.

e) The shares in the company and any share options they hold.

Fully compliant ☒ Partially compliant ☐ Explain ☐

19. The Annual Corporate Governance Report, following its confirmation by the nomination committee, should explain the reasons why Proprietary Directors have been nominated at the behest of shareholders with a less than 3% stake in the company's share capital. It should also explain, if applicable, why formal requests by shareholders for representation on the board were denied where such shareholders held an equal or greater equity stake to those shareholders who obtained Proprietary Directors.

Fully compliant ☐ Partially compliant ☐ Explain ☐ Not applicable ☒

20. Proprietary Directors should submit their resignation if the shareholder they represent transfers all of his/her shares. If said shareholder reduces his/her shareholding to a level that requires a reduction in his/her Directors, the commensurate number of such Proprietary Directors should resign.

Fully compliant ☐ Partially compliant ☐ Explain ☐ Not applicable ☒

21. The Board of Directors should not propose the removal of any Independent Director before his/her statutory term of office has elapsed, except for just cause as found by the Board of Directors following a report from the nomination committee. In accordance with the applicable legislation, just cause occurs when the Director (i) occupies new positions or contracts new obligations that impede him/her dedicating the necessary time to the performance of duties as a Director, (ii) fails to fulfil his/her duties, or (iii) enters into a set of circumstances that remove his/her independence of the company.

Independent Directors may also be removed as a result of takeover bids, mergers or other similar corporate manoeuvres that change the shareholding structure of the company, when the principle of proportionality mentioned in recommendation 16 causes changes in the structure of the Board of Directors.

Fully compliant ☒ Explain ☐

22. The companies should establish rules that oblige directors to inform and, if necessary, resign when situations arise that affect them, whether or not related to their actions in the company itself, that could damage the company's reputation and credibility and, in particular, that oblige them to inform the board of directors of any criminal case in which they appear to be under investigation, as well as of the progress of the case.

And having been informed of or otherwise having become aware of any of the above situations, the board shall examine the case as soon as possible and, having regard to the specific circumstances, decide, after a report from the appointments and remuneration committee, whether or not to take any action, such as opening an internal investigation, requesting the resignation of the director, or proposing the removal of the director. And this shall be reported in the annual corporate governance report, unless there are special circumstances that justify it, which shall be recorded in the minutes. This is without prejudice to the information that the company should disseminate, if appropriate, at the time of the implementation of the corresponding measures.

Fully compliant ☒ Partially compliant ☐ Explain ☐

- 23. All Directors should clearly express their opposition to any proposed decision submitted to the Board of Directors which they consider contrary to the company's interests. Independent and other Directors unaffected by the potential conflict of interests should do the same in the case of decisions that could prejudice the shareholders not represented on the Board of Directors.**

Where the Board of Directors adopts significant or repeated decisions on issues that a Director has expressed serious reservations, that Director should draw the appropriate conclusions of such actions and, if he/she resigns, explain the reasons in the letter referred to in the next recommendation.

This recommendation also applies to the secretary of the Board of Directors even if he/she is not a Director.

Fully compliant ☐ Partially compliant ☐ Explain ☐ Not applicable x☒

- 24. When, either through resignation or by agreement of the general meeting, a director leaves their post before the end of their term, they should sufficiently explain the reasons for their resignation or, in the case of non-executive directors, their opinion on the reasons for the dismissal by the board, in a letter to be sent to all members of the board of directors.**

And without prejudice to the fact that all of this is reported in the annual corporate governance report, insofar as it is relevant to investors, the company should publish the resignation as soon as possible, including sufficient reference to the reasons or circumstances provided by the director.

Fully compliant ☐ Partially compliant ☐ Explain ☐ Not applicable x☒

- 25. The nomination committee should ensure that the non-Executive Directors are sufficiently available for the proper performance of their duties.**

The Board of Directors Regulations should lay down the maximum number of company Boards on which Directors can serve.

Fully compliant x☒ Partially compliant ☐ Explain ☐

- 26. The Board should meet with the necessary frequency to properly perform its functions, eight times a year at least, in accordance with a calendar and agendas set at the start of the year, to which each Director may propose the addition of initially unscheduled items.**

Fully compliant x☒ Partially compliant ☐ Explain ☐

- 27. Director absences should be kept to a strict minimum and quantified in the Annual Corporate Governance Report. In the event of absence, Directors should delegate their powers of representation with the appropriate instructions.**

Fully compliant x☒ Partially compliant ☐ Explain ☐

- 28. When Directors or the secretary express concerns about some proposal or, in the case of Directors, about the company's performance, and such concerns are not resolved at the meeting, they should be recorded in the minute book if the person expressing them so requests.**

Fully compliant ☐ Partially compliant ☐ Explain ☐ Not applicable x☒

29. The company should provide suitable channels for Directors to obtain the advice they need to carry out their duties, extending if necessary to external assistance at the company's expense.

Fully compliant ☒ Partially compliant ☐ Explain ☐

30. Regardless of the knowledge Directors must possess to carry out their duties, they should also be offered refresher programmes when circumstances so dictate.

Fully compliant ☒ Explain ☐ Not applicable ☐

31. The agendas of board meetings should clearly indicate on which points Directors must arrive at a decision, so they can study the matter beforehand or gather together the material they need.

For reasons of urgency, the Chairman may wish to present decisions or resolutions for board approval that were not on the meeting agenda. In such exceptional circumstances, their inclusion will require the express prior consent, duly minuted, of the majority of Directors present.

Fully compliant ☒ Partially compliant ☐ Explain ☐

32. Directors should be regularly informed of movements in share ownership and of the views of major shareholders, investors and rating agencies on the company and its group.

Fully compliant ☒ Partially compliant ☐ Explain ☐

33. The Chairman, as the person charged with the efficient functioning of the Board of Directors, in addition to the functions assigned by law and the company's Articles of Association, should prepare and submit to the board a schedule of meeting dates and agendas; organize and coordinate regular evaluations of the board and, where appropriate, the company's CEO ; exercise leadership of the board and be accountable for its proper functioning; ensure that sufficient time is given to the discussion of strategic issues, and approve and review refresher courses for each Director, when circumstances so advise.

Fully compliant ☒ Partially compliant ☐ Explain ☐

34. When a lead Independent Director has been appointed, the Articles of Association or Board of Directors Regulations should grant him or her the following powers over and above those conferred by law: chair the Board of Directors in the absence of the Chairman or Vice-Chairmen; give voice to the concerns of non-Executive Directors; maintain contacts with investors and shareholders to hear their views and develop a balanced understanding of their concerns, especially those to do with the company's corporate governance; and coordinate the Chairman's succession plan.

Fully compliant ☒ Partially compliant ☐ Explain ☐ Not applicable ☐

35. The Board secretary should strive to ensure that the board's actions and decisions are informed by the governance recommendations of the Good Governance Code of relevance to the company.

Fully compliant ☒ Explain ☐

36. The Board in full should conduct an annual evaluation, adopting, where necessary, an action plan to correct weakness detected in:

- a) The quality and efficiency of the Board of Directors operation.
- b) The performance and membership of its committees.
- c) The diversity of Board of Directors membership and competences.
- d) The performance of the Chairman of the Board of Directors and the company's CEO .
- e) The performance and contribution of individual Directors, with particular attention to the Chairmen of board committees.

The evaluation of board committees should start from the reports they send the Board of Directors, while that of the Board itself should start from the report of the appointments committee.

Every three years, the Board of Directors should engage an external facilitator to aid in the evaluation process. This facilitator's independence should be verified by the nomination committee.

Any business dealings that the facilitator or members of its corporate group maintain with the company or members of its corporate group should be detailed in the Annual Corporate Governance Report.

The process followed and areas evaluated should be detailed in the Annual Corporate Governance Report.

Fully compliant ☒ Partially compliant ☐ Explain ☐

37. When there is an executive committee, at least two non-executive directors should sit on it, at least one of whom should be independent; and its secretary should be the secretary of the board of directors.

Fully compliant ☒ Partially compliant ☐ Explain ☐ Not applicable ☐

38. The Board should be kept fully informed of the business transacted and decisions made by the Executive Committee. To this end, all board members should receive a copy of the committee's minutes.

Fully compliant ☒ Partially compliant ☐ Explain ☐ Not applicable ☐

39. All members of the Audit Committee, particularly its Chairman, should be appointed with regard to their knowledge and experience in accounting, auditing and financial and non-financial risk management matters.

Fully compliant ☒ Partially compliant ☐ Explain ☐

40. Listed companies should have a unit in charge of the internal audit function, under the supervision of the Audit Committee, to monitor the effectiveness of reporting and control systems. This unit should report functionally to the board's non-executive Chairman or the Chairman of the Audit Committee.

Fully compliant ☒ Partially compliant ☐ Explain ☐

41. The head of the unit assuming the role of internal audit should present an annual work programme to the audit committee, for approval by the committee or the board, and report back on its implementation, including on any incidents and scope limitations encountered in its performance, as well as on the results and follow-up of its recommendations.

Fully compliant ☒ Partially compliant ☐ Explain ☐ Not applicable ☐

**42. The Audit Committee should have the following functions over and above those legally assigned:**

**1. With respect to internal control and reporting systems:**

- a) Supervising and assessing the preparation process and the integrity of financial and non-financial information, as well as the control and management systems for financial and non-financial risks relating to the company and, where appropriate, the group, including operational, technological, legal, social, environmental, political, reputational and corruption-related risks, reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.
- b) Monitoring the independence of the unit handling the internal audit function; proposing the selection, appointment, and removal of the head of the internal audit service; proposing the service's budget; approving or proposing the board's approval of the annual priorities and work programs of the internal audit, ensuring that it focuses primarily on the main risks the company is exposed to (including reputational); receiving regular feedback on its activities; and verifying that senior management are taking into account the findings and recommendations of its reports.
- c) Establish and supervise a mechanism that allows employees and other parties related to the Company, such as directors, shareholders, suppliers, contractors, or subcontractors, to report potentially significant irregularities, including financial, accounting, or any other irregularities related to the Company that they notice within the Company or its group; This mechanism must guarantee confidentiality, and in any case, establish the possibility for communications to be made anonymously, respecting the rights of the accuser and the accused.
- d) Monitoring in general that the established internal control policies and systems are effectively implemented in practice.

**2. With regard to the external auditor:**

- a) Investigate the issues giving rise to the resignation of the external auditor, should this come about.
- b) Ensure that the remuneration of the external auditor does not compromise its quality or independence.
- c) Ensuring that the company communicates any change of external auditor to the CNMV as a material event, accompanied by a statement of any disagreements arising with the outgoing auditor and their content, if existing.
- d) Ensure that the external auditor has a yearly meeting with the Board in full to inform it of the work undertaken and developments in the company's risk and accounting positions.
- e) Ensure that the company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other requirements concerning auditor independence.

Fully compliant ☒ Partially compliant ☐ Explain ☐

43. The Audit Committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.

Fully compliant ☒ Partially compliant ☐ Explain ☐

44. The audit committee should be informed of any fundamental changes or corporate transactions the company is planning, so the committee can analyse the operation and report to the Board beforehand on its economic conditions and accounting impact and, when applicable, the exchange ratio proposed.

Fully compliant ☒ Partially compliant ☐ Explain ☐ Not applicable ☐

45. The risk control and management policy should identify or determine at least:

- a) The different types of financial and non-financial risk the company is exposed to (including operational, technological, financial, legal, social, environmental, political and reputational risks, including those related with corruption), with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks.
- b) A tiered risk management and control model, including a specialised risk committee where industry rules so provide or where the company deems it appropriate.
- c) The risk level the company sees as acceptable.
- d) The measures in place to mitigate the impact of identified risk events should they occur.
- e) The internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.

Fully compliant ☒ Partially compliant ☐ Explain ☐

46. Companies should establish a risk control and management function in the charge of one of the company's internal department or units and under the direct supervision of the Audit Committee or some other dedicated Board of Directors committee. This function should be expressly charged with the following responsibilities:

- a) Ensure that risk control and management systems are functioning correctly and, specifically, that major risks the company is exposed to are correctly identified, managed and quantified.
- b) Participate actively in the preparation of risk strategies and in key decisions about their management.
- c) Ensure that risk control and management systems are mitigating risks effectively within the framework of the policy drawn up by the Board of Directors.

Fully compliant ☒ Partially compliant ☐ Explain ☐

47. Appointees to the nomination and remuneration committee - or of the nomination committee and remuneration committee, if separately constituted - should have the right balance of knowledge, skills and experience for the functions they are called on to discharge. The majority of their members should be Independent Directors.

Fully compliant ☒ Partially compliant ☐ Explain ☐



**48. Large cap companies should operate separately constituted nomination and remuneration committees.**

Fully compliant ☐

Explain ☐

Not applicable x☒

**49. The appointments committee should consult with the company's Chairman and CEO, especially on matters relating to Executive Directors.**

**When there are vacancies on the board, any Director may approach the appointments committee to propose candidates that the Director might consider suitable.**

Fully compliant x☒

Partially compliant ☐

Explain ☐

**50. The remuneration committee should operate independently and have the following functions in addition to those assigned by law:**

**a) Propose to the Board of Directors the standard conditions for senior officer contracts.**

**b) Monitor compliance with the remuneration policy set by the company.**

**c) Periodically review the remuneration policy for Directors and senior officers, including share-based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other Directors and senior officers in the company.**

**d) Ensure that conflicts of interest do not undermine the independence of any external advice provided to the committee.**

**e) Verify the information on Director and senior officers' pay contained in corporate documents, including the Annual Report on the Remuneration of Directors.**

Fully compliant x☒

Partially compliant ☐

Explain ☐

**51. The remuneration committee should consult with the company's Chairman and CEO, especially on matters relating to Executive Directors and senior officers.**

Fully compliant x☒

Partially compliant ☐

Explain ☐

**52. The terms of reference of supervision and control committees should be set out in the Board of Directors Regulations and aligned with those governing legally mandatory board committees as specified in the preceding sets of recommendations. They should include at least the following terms:**

**a) Committees should be formed exclusively by non-Executive Directors, with a majority of independents.**

**b) They should be chaired by Independent Directors.**

**c) The Board of Directors should appoint the members of such committees with regard to the knowledge, skills and experience of its Directors and each committee's terms of reference; discuss their proposals and reports; and provide report-backs on their activities and work at the first Board of Directors plenary following each committee meeting.**

**d) They may engage external advice, when they feel it necessary for the discharge of their functions.**

**e) Meeting proceedings should be minuted and a copy made available to all board members.**

Fully compliant ☒ Partially compliant ☐ Explain ☐

**53. Supervision of compliance with the company's environmental, social and corporate governance policies and rules, as well as internal codes of conduct, should be entrusted to one or more committees of the board of directors, which may be the audit committee, the appointments committee, a committee specialising in sustainability or corporate social responsibility or any other specialised committee that the board of directors, in exercise of its powers of self-organisation, has decided to create. Such a committee should be composed solely of non-executive directors, the majority of whom should be independent, and should be specifically attributed the minimum duties indicated in the following recommendation.**

Fully compliant ☒ Partially compliant ☐ Explain ☐

**54. The minimum duties referred to in the above recommendation are as follows:**

- a) Supervising compliance with the company's corporate governance rules and internal codes of conduct, also ensuring that the corporate culture is aligned with its purpose and values.
- b) Overseeing the implementation of the general policy on economic-financial, non-financial and corporate reporting as well as communication with shareholders and investors, proxy advisors and other stakeholders. The way in which the institution communicates and relates to small and medium-sized shareholders shall also be monitored.
- c) Periodically evaluating and reviewing the corporate governance system and the company's environmental and social policy, so that they fulfil their mission of promoting the company's interests and take into account, as appropriate, the legitimate interests of other stakeholders.
- d) Monitoring that the company's environmental and social practices are in line with its strategy and policy.
- e) Monitoring and evaluating the company's interaction with its stakeholder groups.

Fully compliant ☒ Partially compliant ☐ Explain ☐

**55. Sustainability policies on environmental and social issues should at least identify and include:**

- a) The principles, commitments, objectives and strategy in matters relative to shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of corruption and other illegal conducts.
- b) The methods or systems for monitoring compliance with policies, associated risks and their management.
- c) The mechanisms for supervising non-financial risk, including those related to ethics and business conduct.
- d) Channels for stakeholder communication, participation and dialogue.
- e) Responsible communication practices that prevent the manipulation of information and protect the company's honour and integrity.

Fully compliant ☒ Partially compliant ☐ Explain ☐

56. The Director remuneration should be sufficient to attract individuals with the desired profile and compensate the commitment, abilities and responsibility that the post demands, but not so high as to compromise the independent judgement of non-Executive Directors.

Fully compliant ☒ Explain ☐

57. Variable remuneration linked to the company and the Director's performance, the award of shares, options or any other right to acquire shares or to be remunerated on the basis of share price movements, and membership of long-term savings schemes such as pension plans should be confined to Executive Directors.

The company may consider the share-based remuneration of non-Executive Directors provided they retain such shares until the end of their mandate. The above condition will not apply to any shares that the Director must dispose of to defray costs related to their acquisition.

Fully compliant ☒ Partially compliant ☐ Explain ☐

58. In the case of variable awards, remuneration policies should include limits and technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, or circumstances of that kind.

In particular, variable remuneration items should meet the following conditions:

- a) Be subject to predetermined and measurable performance criteria that factor the risk assumed to obtain a given outcome.
- b) Promote the long-term sustainability of the company and include non-financial criteria that are relevant for the company's long-term value, such as compliance with its internal rules and procedures and its risk control and management policies.
- c) Be focused on achieving a balance between the delivery of short, medium and long-term objectives, such that performance-related pay rewards ongoing achievement, maintained over sufficient time to appreciate its contribution to long-term value creation. This will ensure that performance measurement is not based solely on one-off, occasional or extraordinary events.

Fully compliant ☒ Partially compliant ☐ Explain ☐ Not applicable ☐

59. The payment of variable remuneration components is subject to sufficient verification that the performance or other conditions set out above have been effectively met. Entities shall include in the annual directors' remuneration report the criteria as to the time required and methods for such verification depending on the nature and characteristics of each variable component.

In addition, institutions should consider the establishment of a malus clause based on the deferral for a sufficient period of time of the payment of a part of the variable components that entails their total or partial loss in the event that some event occurs prior to the time of payment that makes it advisable to do so.

Fully compliant ☒ Partially compliant ☐ Explain ☐ Not applicable ☐

60. Remuneration linked to company earnings should bear in mind any qualifications stated in the external auditor's report that reduce their amount.

Fully compliant ☒ Partially compliant ☐ Explain ☐ Not applicable ☐

- 61. A major part of Executive Directors' variable remuneration should be linked to the award of shares or financial instruments whose value is linked to the share price.**

Fully compliant ☒ Partially compliant ☐ Explain ☐ Not applicable ☐

- 62. Once the shares, options or financial instruments corresponding to the remuneration systems have been attributed, executive directors may not transfer their ownership or exercise them until at least three years have elapsed.**

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

The foregoing shall not apply to shares that the director needs to dispose of in order to meet the costs related to their acquisition or, subject to the favourable opinion of the appointments and remuneration committee, to meet extraordinary situations that so require.

Fully compliant ☒ Partially compliant ☐ Explain ☐ Not applicable ☐

- 63. Contractual arrangements should include provisions that permit the company to reclaim variable components of remuneration when payment was out of step with the Director's actual performance or based on data subsequently found to be misstated.**

Fully compliant ☒ Partially compliant ☐ Explain ☐ Not applicable ☐

- 64. Termination or contract cancellation payments should not exceed an amount equivalent to two years of the Director's total annual remuneration and should not be paid until the company confirms that they have fulfilled the criteria or conditions established for receiving the payment.**

For the purposes of this recommendation, termination or contract cancellation payments should include any payments the accrual or payment obligation of which arises as a result of or in connection with the termination of the director's contractual relationship with the company, including amounts not previously consolidated in long-term savings schemes and amounts paid under post-contractual non-competition agreements.

Fully compliant ☐ Partially compliant ☒ Explain ☐ Not applicable ☐

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

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

In this regard, it should be clarified that the chief executive's contract governs the post-contractual non-competition obligation, and establishes that the compensation for assuming this obligation is understood to be paid to the chief executive on a periodic basis as of his appointment on 22 December 2010 and not when his contract is terminated; for such purpose, the aforementioned contract provides that 15% of his Fixed Remuneration is understood to be paid in compensation for such obligation, and does not constitute a separate component in addition to the total amount of 750,000 euros as the approved Fixed Remuneration for the chief executive, which is taken as a reference for the calculation of the variable remuneration and other remuneration components of the chief executive, as well as for the determination of the payments due to the termination of his contract.

Therefore, among the payments envisaged in the event of the termination of the contract, no amount is envisaged for post-contractual non-competition.

For the reasons set out above, the Company understands that Recommendation 64 is not applicable to the compensation of the post-contractual non-competition obligation indicated above, as the compensation

mechanism defined in the chief executive's contract does not entail the payment of any additional amount to the chief executive after the termination of his contract.



## OTHER RELEVANT INFORMATION

1. Provide brief details of any other relevant aspects of the corporate governance of the company or group entities not included in the other sections of this report, which must be covered if the report is to contain the most comprehensive and well-founded information on the structure and practices of governance in the entity or its group.
2. Any other information, clarification or detail related to the above sections of the report may be included in this section insofar as it is relevant and not repetitive.

Specifically, indicate whether the company is subject to foreign legislation on corporate governance, and if so, include any information it is bound to supply other than that required in this report.

3. The company may also indicate whether it voluntarily adheres to other codes of ethical principles or good practices (international, sector-related, etc.). In that case, the company will identify the code concerned and the date it began adhering to that code. In particular, it will mention whether it has adhered to the Code of Good Tax Practices of 20 July 2010.

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This Annual Corporate Governance Report was approved by the Company's Board of Directors in its meeting of 27/02/2025.

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

Yes ☐

No ☒

Name or corporate name of the director who did not vote in favour of the approval of this report	Reasons (against, abstention, non-attendance)	Explain the reasons
Remarks		



