



**POLICY**  
OF INTERNAL CONTROL SYSTEM OF  
FINANCIAL AND NON-FINANCIAL  
INFORMATION

(Text approved by resolution of the Board of  
Directors of 17 December 2020)

*(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)*

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## POLICY OF INTERNAL CONTROL SYSTEM OF FINANCIAL AND NON-FINANCIAL INFORMATION

### **1- PURPOSE AND SCOPE OF APPLICATION**

#### **1.1 Purpose**

The activity of VISCOFAN, S.A. (the "Company") and the group of companies in which the Company (Viscofan Group) is the parent company within the meaning of the law is the Company (Viscofan Group) is carried out in an environment of growing requirements for transparency towards stakeholder groups that requires internal control systems that provide reasonable assurance of the reliability of the Viscofan Group's financial and non-financial information, in accordance with best international practices.

The Company's Board of Directors is responsible for the internal control system for financial and non-financial information and has the authority to approve this Internal Control Policy for Financial and Non-Financial Information (the "Policy"), the object is to establish the basic principles, general framework for action and the roles and responsibilities of the system of internal control for financial and non-financial information.

#### **1.2 Scope of application**

This Policy shall apply in all the companies that make up the Viscofan Group and shall be mandatory for all their directors, managers and employees and shall affect the process of drawing up the consolidated financial statements, the interim management declarations for the results of the Company and its consolidated group for the first and third quarters and the half-yearly financial report.

### **2- PRINCIPLES AND BASIC COMMITMENTS**

The basic principles and commitments of the Viscofan Group's Internal Control Policy of Financial and Non-Financial Information are:

- a. **Veracity.** The information of the Viscofan Group must be truthful and offer a faithful reflection of the situation of each individual company and of the Group as a whole.
- b. **Integrity:** The information of the Viscofan Group must reflect the overall situation, i.e. it shall be unabridged, complete and with no omissions that could lead to a biased or partial view.
- c. **Uniformity.** The information must be drafted, prepared and conveyed in accordance with the same criteria in each and every Group company.
- d. **Authorisation.** Persons engaged in financial and non-financial reporting activities must be authorised and trained in the Viscofan Group's financial and non-financial policies and principles.

- e. **Confidentiality.** Unpublished financial and non-financial information is confidential and therefore may not be disclosed or used except where strictly necessary for the performance of the duties assigned in the course of business or professional activity.
- f. **Compliance.** Viscofan, as an entity listed on secondary securities markets (stock exchange) must comply with the requirements and obligations imposed by the regulatory bodies, including the obligations to disclose insider trading and other regulated information. Within the Viscofan Group, each subsidiary must comply with the regulations applicable as a result of its membership of the group, as well as with all local regulations that are obligatory.

### **3- IMPLEMENTATION AND COMPLIANCE**

#### **3.1- System of internal control of financial and non-financial information**

The Viscofan Group's system of internal control of financial and non-financial information is based on best practices and international standards, including the internal control framework established in the COSO report (Committee of Sponsoring Organizations of the Treadway Commission), as well as compliance with legal and regulatory requirements, to cover at least the risks of existence and occurrence, completeness, valuation, presentation and disclosure, and comparability of financial and non-financial information. The system comprises five components:

##### a. **Control environment**

- The **Audit Committee** is responsible for overseeing and evaluating the process of preparation, presentation and integrity of the financial and non-financial information relating to the Company and its consolidated Group, reviewing the correct design of internal control systems and compliance with requirements.
  - The **Corporate Finance Division** is responsible for the internal control of financial information, designing, implementing and operating controls to mitigate risks, and defining, updating and disseminating the accounting policies and procedures to be applied, seeking to ensure uniformity in accounting processes and information, as well as the process of consolidation and preparation of the consolidated financial statements.
  - The **investor relations division** is responsible for coordinating, together with the different departments, the non-financial information that will be disclosed in the Management Report.
  - The **Internal Audit Division** supports the Audit Committee in monitoring internal control of financial and non-financial information systems, conducting quarterly and annual reviews to verify the accuracy of reported information.
- b. **Assessment of information risks.** In each process affecting the preparation of financial and non-financial information, the Group will identify the risks and control objectives to ensure the reliability of the financial and non-financial information and the possibility of risk of error occurring, according to its impact on the financial statements and the management report.

- c. **Control activities.** The Viscofan Group will carry out control activities in order to ensure the recording, valuation, presentation and breakdown of transactions, as well as the prevention and detection of fraud, and consequently hedge any transactions which may materially affect the financial statements and the indicators of non-financial information included in the management report.
- d. **Information and communication.** Relevant and quality information will be generated to support the functioning of internal control and reporting to stakeholders.
- e. **Review and monitoring.** The review process shall be carried out continuously over time to provide reasonable assurance that the information is reliable, consistent and truthful and shall consist at least of:
  - The validation and verification of the periodic information and internal control systems of the financial and non-financial information by the Internal Audit Division.
  - Periodic reporting by managers to the Audit Committee.
  - Review by an independent third party in accordance with existing legislation and best practice.

### **3.2 Monitoring and oversight**

The Audit Committee is responsible for monitoring, supervision and making proposals for revision of the Policy.

## **4- APPROVAL AND VALIDITY**

This Policy, following a report from the Audit Committee, was approved by the Viscofan Board of Directors at its meeting on 17 December 2020 and came into force upon its approval.

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