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**APPOINTMENTS, REMUNERATIONS
AND SUSTAINABILITY COMMITTEE
OF VISCOFAN S.A.**

**2023 ANNUAL REPORT OF
ACTIVITIES**

25 January 2024

A.- INTRODUCTION

The Appointments, Remunerations and Sustainability Committee (the "Committee") of Viscofan S.A. (hereinafter referred to as "Viscofan" or the "Company") was created by agreement of the Board of Directors as a specialist body with the authority to provide information and advice and put forward proposals, facilitating performance of the general function of oversight and control that corresponds to the Board of Directors. The existence of a Committee specialised in the area is currently required under article 529 quidecimes of the Corporate Enterprises Act, recommended by the supervisory bodies and best corporate governance practices.

The rules for the organisation and functioning of the Committee are contained, in the implementation of the Board of Directors Regulations, in its Regulations, whose entire wording is available on Viscofan's corporate web page (www.viscofan.com) within the Corporate Governance section.

The Committee prepares this 2023 Annual Report of Activities to be approved by the Board of Directors, pursuant to article 25 of the Committee Regulations to be provided to the General Shareholders' Meeting.

B.- COMMITTEE FUNCTIONS AND SCOPE

Chapter II of the Committee Regulations, (articles 5 to 10) includes the scope and functions of the Committee, which incorporates those relating to ESG matters in the terms envisaged in the CNMV's Code of Good Governance.

C.- COMPOSITION OF THE COMMITTEE

All the Committee members have the status of external directors appointed as members in line with their experience, training and professionalism, and those qualified as "independent" fulfil the independence requirements set out in the legal regulations.

In the 2023 financial year, there were no changes in its composition. Accordingly, the composition of the Committee is as follows:

Name	Position	Type
Mr Jaime Real de Asúa Arteche	Chairman	External Independent
Mr José María Aldecoa Sagastasoia	Member	External Independent
Mr Santiago Domecq Bohórquez	Member	External Proprietary
Mr Andrés Arizkorreta García	Member	External Independent
Mr José Antonio Cortajarena Manchado	Non-member Secretary	N/A

The composition is compliant with the Corporate Enterprises Act, and also has a majority of independent members in accordance with good governance recommendations.

Notwithstanding the functions that legally correspond to the Committee Secretary in relation to the advice and support to the members in exercising their respective functions, the Committee regularly seeks the collaboration of other members of the management team in the terms provided for in article 27 of the Appointments, Remunerations and Sustainability Committee Regulations. Likewise, for the best performance of its functions, the Committee may request the advice of external professionals. This power has been used under the terms set forth in this Report.

The CVs of the Committee members can be found on Viscofan's corporate website.

D.- ACTIVITIES DURING 2023

The Committee held nine (9) meetings in 2023.

A joint session was also held with the Audit Committee in relation to the coordination of the ESG functions of each of the committees.

In relation to the work plan drawn up, it is worth highlighting:

- **Resolutions without holding a meeting**

In 2023, the Committee did not adopt any resolution without holding a meeting.

- **Attendance of the members**

All Committee members attended all meetings held in person.

- **Announcement and preparation of meetings**

All meetings were convened by the Secretary, upon the instructions of the Committee Chairman, sufficiently in advance, in line with the Agenda.

The Committee members have had, in due time and form, the documentation and presentations necessary for them to form an opinion.

- **Information to the Board of Directors**

The Committee Chairman, in accordance with article 26 (1) of the Regulations, has informed the Board of Directors at each of its meetings held subsequent to the Committee meetings of the issues dealt with thereat.

- **Minutes**

The corresponding minutes were drafted from all the meetings, which were approved by the Committee members and signed by the Secretary with the Chairman's approval. These minutes were made available to all directors once they were approved.

- **Attendance of the Chairman, Managing Director and executives of the Company**

The Chairman of the Company, the Director Managing Director and executives of the Company and the Group attended the Committee on the different occasions when this was so required to address various items on the agenda.

– **Support of external services**

The Committee has also sought external advice from independent firms, when deemed necessary. In particular, in 2023, advisory services were requested from the following consultancy firms:

- WTW, in connection with the process of drafting a new Board Remuneration Policy for the 2024, 2025 and 2026 period, which was approved by the General Shareholders' Meeting of 27 April 2023.
- Korn Ferry, regarding the evaluation process of the Board of Directors, the first executive and the Committees for the 2022 financial year, the conclusions of which were presented in 2023, in accordance with article 18 of the Regulations of the Board of Directors.
- Deloitte, with regard to the follow-up, novelties and update of competences in the area of sustainability.

– **Tasks undertaken**

As indicated, the Committee, without affecting the tasks related with its organisation and operations, provides informational and advisory powers to the Board of Directors as a Committee specialised in specific areas of activity that mainly deal with the composition and remuneration systems of the governing bodies and senior management, and the promotion and supervision of corporate governance and other sustainability matters (ESG) and other activities related to the General Shareholders' Meeting.

The main issues that have been dealt with and analysed by the Committee in 2023 and that have shaped its main areas of supervision, can be grouped into the following areas:

- Organisation and internal operations:
 - Meeting schedule and Engagement Plan: in one meeting
 - Annual Report on Activities: in one meeting.
- Corporate Governance:
 - Composition of the Board, Committees and appointment of positions: in four meetings.
 - Change of Chairmanship model: Termination of the Chairman's Commercial Contract and appointment of the Chief Executive Officer: in three meetings.
 - Directors' classification: in one meeting.
 - Matters reserved to the Board: in two meetings.
 - Conflict of interest declaration: in one meeting.
 - Annual Corporate Governance Report of 2022, including the compliance with the Good Governance Code recommendation. in one meeting.
 - Evaluation of the Board and Committees, of the Executive Chairman and proposal for an action plan arising: in three meetings.
 - Succession plan for the Chairman, CEO and senior management: in two meetings.
 - Monitoring of the process of renewing the organisational structure, governance model and governing bodies of the Group's subsidiaries: in two meetings.

- Remunerations
 - Proposed Directors' Remuneration 2024-2026: in two meetings
 - Proposed fixed and variable remuneration (settlement of 2022 targets and definition of 2023 targets) of the Chairman and General Managing Director: in one meeting.
 - Remuneration framework and proposed fixed and variable remuneration (settlement of 2022 targets and definition of 2023 targets) of senior management: in one meeting.
 - Proposed 2022 Annual Directors' Remuneration Report: in one meeting.
 - Verification of the information on remuneration in the 2023 Half-Yearly Report: in one meeting.

- Sustainability
 - Review of its functions in relation to the Statement of Non-Financial Information included in the 2023 Management Report: in one meeting.
 - Monitoring of the Beyond25 Sustainability Action Plan: in four meetings

- Update and training sessions
 - As part of the Committee's work plan, there is a recurrent activity to update knowledge, which in 2023 was carried out jointly with all the directors, as the training sessions affect cross-cutting issues: cybersecurity, developments in international taxation (OECD Pillar 2) and key aspects of M&A transactions.
 - It has also continued to use the platform or Board Library, in which members are provided access to articles of interest on the topics of corporate governance, remunerations and sustainability.

E.- CONCLUSIONS

Throughout 2023, the Committee considers that it had satisfactorily exercised the responsibilities assigned to it by the Articles of Association, the Board of Directors Regulations and its own Regulations.

Besides the Company's Chairman and Director Managing Director, the Committee has also had direct contact with and the collaboration of the Company's various senior management teams.

It is noted that the Committee considers that the Company rigorously complies and has complied with the rules and recommendations of good governance, in the terms indicated in the Corporate Governance Report and in the Directors' Remuneration Report. In particular:

- With the Committee's encouragement, the process of changing from an executive to a non-executive chairmanship model and the appointment of a CEO was successfully completed during 2023. In particular:
 - Firstly, the re-election of the Chairman as executive director for 2023 was supported by 97.1% of the votes at the General Shareholders' Meeting.

- Secondly, the Committee has drawn up and submitted to the Board of Directors the agreements and contracts required to implement the planned changes.
- The Committee has also promoted and carried out the procedures provided for in legal and internal regulations to fill a vacancy that arose during the year on the Board of Directors and on the Audit Committee.
- In relation to remunerations:
 - In compliance with the Corporate Enterprises Act, the Committee finalised in the 2023 financial year the proposal for a new Directors' Remuneration Policy for the years 2024, 2025 and 2026, which was approved by the 2023 AGM by a large majority of 91.7% of the votes in favour.
 - The Committee prepared and submitted to the Board of Directors the proposal for the Annual Report on Directors' Remunerations 2023, which was approved by the General Meeting of Shareholders in 2023 with 95.8% of votes in favour.
- In the area of Sustainability, the Committee has been monitoring the key indicators of the 2022-2025 Sustainability Action Plan on a recurring basis, both environmental (i.e. reduction of CO2 emissions, waste management and reduction of water use), Occupational Health and Safety (accident rate) and the promotion of diversity with the main objective of increasing the number of women in management positions. It has also promoted the setting of new targets and a roadmap for the Net 0 target to be presented during 2024. Finally, the Committee has followed up on the work of adaptation, compliance and preparation, as appropriate, of the requirements derived from the regulations in this area, in particular, with regard to the EU Taxonomy Regulations, the Climate Change and Energy Transition Act of 20 May 2021 and the preparation of the Group for the obligations linked to the new proposal for the Sustainability Directive.

This Appointments, Remunerations and Sustainability Committee Report is, in short, a contribution to the Company's strategy, which participates in the mission of creating value for shareholders and promoting social interest.