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VISCOFAN S.A. AUDIT COMMITTEE

**ANNUAL REPORT ON ACTIVITIES AND OPERATIONS, RELATED-PARTY
TRANSACTIONS AND ON THE INDEPENDENCE OF THE EXTERNAL AUDITOR**

2023

A. INTRODUCTION

The Audit Committee (hereinafter “Committee”) of Viscofan, S.A. (hereinafter “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 specialising in the area is currently required by Article 529 quincecies of the Corporate Enterprises Act and Article 33 of the company by-laws, and recommended by supervisory bodies and best corporate governance practices. In addition to the provisions in the company by-laws and current legislation, it is regulated by Article 15 of the Board of Directors' Regulations and implemented by the Audit Committee Regulations (available on the Company's website (www.viscofan.com)).

The Audit Committee prepares this Activity Report (the “**Report**”) to be approved by the Board of Directors and made available to the General Shareholders' Meeting, pursuant to article 26 of the Committee Regulations. The Report also includes the report on related-party transactions and that of the independence of the external auditor, which will be published on the website sufficiently in advance of the General Shareholders' Meeting, under the terms set out in the aforementioned legislation and internal regulations.

B. ANNUAL REPORT OF ACTIVITIES

1. COMMITTEE FUNCTIONS AND SCOPE

Chapter II of the Committee Regulations (Articles 5 to 11) contains the committee's functions and scope. Accordingly, the Committee will make (a) the proposal for the appointment, re-election or replacement of the auditors and it will supervise (b) the independence and effectiveness of the Internal Audit Department; (c) the process of preparation and supervision of mandatory financial and non-financial information; (d) the effectiveness of the internal control system of the Company and its Group and financial and non-financial risk management systems; and (e) the effectiveness and operation of the Ethics and Compliance Committee and of the whistleblower channel.

2. COMPOSITION OF THE COMMITTEE AND ATTENDANCE AT ITS MEETINGS IN 2023

All Committee members have the status of external directors appointed as members in relation to their knowledge and experience in the areas under the Committee's purview, and any classified as “independent”, which are most of the members of the Committee, fulfil the independence requirements set out in the legislation.

In the 2023 financial year, the following changes occurred in its composition:

- On 20 December 2023, Ms. De Pablo, independent external director, submitted her resignation as a director for professional reasons and stepped down as a member of the Committee. She has been replaced, by resolution of the Board of Directors and at the proposal of the Appointments, Remunerations and

Sustainability Committee (hereinafter, the "ARSC"), by the independent external director Andrés Arizkorreta García.

Consequently, at year-end 2023, the Board of Directors has five members on the Audit Committee, as follows:

| Name | Position | Type |
|---|-------------------------|--------------------------|
| Ms Laura González-Molero | Chair | External independent |
| Ms Ágatha Echevarría Canales | Member | Other external directors |
| Mr Javier Fernández Alonso | Member | External proprietary |
| Ms Cristina Henríquez de Luna Basagoiti | Member | External independent |
| Ms Andrés Arizkorreta García | Member | External independent |
| Mr Jose Antonio Cortajarena Manchado | Non-member Secretary | N/A |

The composition is compliant with the Corporate Enterprises Act, with a Chairman and a majority of independent members.

Notwithstanding the functions that are legally the responsibility of the Committee Secretary in relation to providing advice and support to the directors in exercising and better performing their duties, the Committee regularly seeks the collaboration of the members of the senior management team under the terms set out in Article 31 of the Audit Committee Regulations. To better fulfil its functions, the Committee may seek the advice of external professionals.

Information regarding the members of the Committee can be found on the Company's website: <https://www.viscofan.com/es/gobierno-corporativo/consejo-de-administracion/comisiones-del-consejo>.

3. OPERATION

The Committee has performed its duties with full operational autonomy, under the direction of its Chair, who has, in conjunction with the Secretary, called meetings, set the agenda, directed debates and required the attendance of any directors, employees and members of the Company's management or third parties as necessary for it to better perform its functions.

In 2023, the Audit Committee met twelve (12) times to follow up on the issues summarised in the following sections. All the members of the Committee participated on ten occasions, and on two occasions one of the members did not attend, but delegated their vote to the Chair, with instructions, in relation to the items to be addressed on the agenda. The Committee members have attended the meetings in person or remotely, while complying with legal and regulatory requirements for the necessary identification of the Committee members by the Secretary and the availability of the appropriate technical resources. The Committee did not adopt any resolution without holding a meeting.

As is common on the Committee, several members of the management team, such as the Head of Internal Audit, the Corporate Chief Financial Officer and members of the Ethics and Compliance Committee, the Head of Strategy, Organisation and Systems and

the Investor Relations and Communication Director took part in the different meetings, along with any other members of senior management, directors or employees, whose presence was deemed advisable by the Committee, so that they could present aspects relating to their areas. Attendance at the meetings of executives and employees was limited to the matters on the Agenda in which their participation was required, after which they left the meeting.

The Committee has also requested the presence of the external auditor of financial information, PwC, S.L. at three of the meetings held, to monitor the different phases of the external audit process up to the definitive close of the same.

Likewise, the external verifiers of non-financial information, Deloitte, S.L., took part in a Committee meeting once, where they reported on the conclusions of the report presented.

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

Pursuant to section 1, article 27, of the current Audit Committee Regulations, the Chair of the Committee reports to the Board of Directors after every Committee meeting, and minutes were drawn up for each meeting, approved by the Committee members and signed by the Secretary with the approval of the Chair. These minutes were made available to all directors once they were approved. Likewise, upon the request of the Chair, in the cases in which it was considered advisable or necessary due to the complexity or extension of the matters dealt with, the documentation supporting the Committee's activities was made available to all Board members.

4. ACTIVITIES

At the beginning of fiscal year 2023, the Audit Committee approved a Work Plan, which it executed during the year and which covered all of its functions. The main goals thereof were: to oversee the financial and non-financial information and the corresponding external audit and external verification, respectively; to oversee the legal and regulatory compliance; to oversee risk management (monitoring of main risks, of the risk model in regions and subsidiaries and of emerging risks, including sustainability and technological risks); and to oversee the Viscofan Group's internal control model; and to update and train in the most significant developments.

4.1. Account auditing

The Audit Committee has established the appropriate relations with the external auditor, PricewaterhouseCoopers Auditores, S.L. (hereinafter "PwC") which informed of the performance of their activity to ensure that the financial statements and the management report prepared by the Board are presented without reservations or qualifications in the audit report.

In relation to the 2023 accounts, three (3) meetings were held with the external auditor in order to report the schedule of actions, the most relevant aspects detected during the preliminary phase of the pre-closure review, and the final annual closure, which allowed PwC and the Committee to identify and anticipate external audit works, as well as issues that, due to their uniqueness or accounting impact, could require a special mention or record in the company's financial statements.

Hence, in relation to conducting the audit work and the role played by the Committee in this process:

- ✓ It has supervised compliance with the audit contract, gathering information on the audit plan and ensuring that the opinion on the annual financial statements and the content of the audit report are drafted in a clear and precise manner.
- ✓ It has ensured that internal procedures are in place to guarantee that situations do not arise that could give rise to conflicts with the independence and objectivity required from the external auditor, including making sure that their remuneration does not compromise their quality or independence, and that the policy to pre-approve services to be provided by the external auditor is complied with, that the external auditor had access to all the information needed to conduct its work and that it received the greatest possible collaboration from each of the Group's subsidiaries.
- ✓ It has been informed of the result of the work performed during the preliminary phase, which involved reviewing pre-closure, and closure, to identify and plan the tasks that, given their uniqueness or impact on accounting, require special attention from the external auditor, such as:
 - Monitoring of the performance of the subsidiary Viscofan USA Inc.
 - Monitoring of the impacts of regulatory changes on cogeneration.
 - Assessment of the functional currency in Mexico.
 - ICMS risk analysis in the Viscofan Brazil subsidiary.

The Committee has verified the statements made by the external auditor regarding its independence in relation to the entity or entities related to it, receiving their statement of independence and issuing the corresponding report on the independence of the auditor, which is contained in Section D of this document.

The Audit Committee has been informed and has followed up on the recommendations made by the external auditor, as derived from its review of the correct application of the separation of duties in the company's main processes supported by the SAP management system.

Lastly, following the process of evaluating PWC's performance, it was agreed to submit to the Board of Directors a proposal for its re-election as statutory auditor for the year ending 31 December 2024, which the Board of Directors will submit for approval at the Ordinary General Shareholders' Meeting in 2024.

4.2. Verifier of Non-Financial Information

The Committee has monitored the work of the external verifier, Deloitte, S.L., in order to stay abreast of the work performed and to ensure that there is assurance that the information included in the individual and consolidated management reports, including the statement of non-financial information, is unqualified.

The Committee requested the presence of the external verifier on one occasion to be apprised of the main conclusions of the verification of the statement of non-financial information. In addition, the Director of Communication and Investor Relations attended on two occasions in order to present the work schedule of the external verifier and the progress of the preliminary work carried out and to report on the follow-up of the work and processes in this area.

The Committee was informed of the independent external verifier's compliance with independence and ethics requirements.

4.3. Internal Audit

The Head of Internal Audit reports functionally to the Committee and, as a result of that relationship, the Committee has analysed and approved the 2023 work plan drawn up by the area, has regularly monitored execution of the same and has received direct reports on any progress and incidents in its implementation.

In 2023, Internal Audit carried out audits on both the Group's global processes (obsolete management, goods management, cash flow, and payment management, IT suppliers and monitoring of the main investment projects) and audits on certain processes of subsidiaries in the different regions in which the Group is organised (EMEA, APAC, North America and South America), and it followed up on the main risks and support for the extension of the risk model to subsidiaries, and completed the established annual plan. This year the "Continual Audit" project continued, involving the automation of detective controls (alerts) and corrective controls in the SAP management system environment for different Group processes, and in the development of a visualisation and analysis model. The financial information control system and the process of obtaining the main non-financial information indicators were also supervised, and advice was given on improving their efficiency and automation.

Within the framework to supervise the effectiveness of Internal Audit, the Committee was informed of the reports issued by Internal Audit upon completion of its activities, and of the follow-up to the recommendations and action plans included in these reports, and of its compliance, and it concluded that none of them reveal situations that indicate significant weaknesses.

The Audit Committee, as in prior years, assessed the performance of the Internal Audit Director and of the Internal Audit Department itself, in accordance with the objectives set for 2023, and whose compliance therewith was highly satisfactory.

4.4. Financial and non-financial information

As required, prior to its submission to the Board and notification to the Spanish National Securities Market Commission (CNMV), the Committee has reviewed and analysed the financial statements of Viscofan S.A. and its Group, contained in the annual, half-yearly and quarterly reports, to confirm that this information is reliable,

understandable and relevant and that accounting criteria consistent with the previous annual closure have been followed, for which it has had the necessary support from the Group's senior management, especially from the Corporate Finance Department, the Internal Audit area, as well as from the external auditor.

The Group's corporate developments have been monitored; in this context, it is noted that on 26 May 2023, the representative office of the Philippines was registered.

The Committee has supervised the correct application of the accounting principles and practices and the measurement criteria used in the process of drawing up and presenting the mandatory financial information and has also reviewed the appropriate delimitation of the scope of consolidation. In addition, the Committee has monitored the development of the main figures of the Group's balance sheet and income statement and has obtained the additional information it considered appropriate prior to its presentation to the Board of Directors.

Consequently, following the work of the external auditor, on 28 February 2024, the Audit Committee favourably informed Viscofan's Board of Directors on the preparation of the Group's individual and consolidated financial statements, under the same terms as they will be submitted to the General Shareholders' Meeting for voting, accompanied by the corresponding report issued by the accounts auditor, PwC, containing its favourable and unqualified opinion.

In relation to Directive on Corporate Sustainability Reports 2022/2462/EU (CSRD) and its implementing regulations in Spain, and Law 11/2018, amending the Code of Commerce, the Corporate Enterprises Act and the Audit Law in the area of non-financial information and diversity, the Audit Committee monitored the reporting of non-financial information, whose content forms part of the Management Report, which will be submitted for approval by the General Shareholders' Meeting and verified by Deloitte, S.L. without qualifications.

4.5. Risk management and internal control systems

Another of the responsibilities exercised by the Audit Committee was the review of the internal control systems set up by the Group, including the results of the review of the Internal Audit area and the systems for risk management.

In specific terms and as regards risk management and internal control systems, the Audit Committee has supervised:

- ✓ The quarterly reports on internal control of financial information prepared internally by Internal Audit.
- ✓ The Group's risk map, with information on the activity carried out by the Global Risk Committee, which met four (4) times in 2023.
- ✓ The control activities carried out by the Investment Committee and the Credit Risk Committee.

- ✓ Monitoring of the principles and good tax practices included in the Group's Tax Policy prior to its consideration by the Board of Directors, including Directive 2022/2523 on minimum taxation applicable in 2024, which is expected to have no material impacts on the Group's tax situation.
- ✓ 2022–2024 Cybersecurity Master Plan risks.
- ✓ The implement of the internal control system for non-financial information.

4.6. Ethics and Compliance Committee.

The Committee also supervises the activities of the Ethics and Compliance Committee. Its function includes managing, monitoring and, where appropriate, proposing to update the Group's Ethics and Compliance System and, particularly, overseeing communications received through the Ethical Channel-Integrity Line, which has been updated as a result of Law 2/2023, of 20 February, regulating the protection of persons who report regulatory infringements and the fight against corruption and, following a report from the Committee to the Board of Directors, has approved the Internal Information System Policy and the Information Management Procedure, available on the corporate website.

During the year, the 2021-2023 Compliance Plan was finalised, with a positive assessment from the Committee, highlighting the significant effort made in updating the compliance regulations as an essential pillar of the Group's model and ethical culture. Finally, at its meetings on 22 June and 17 December 2023, the Committee received the semi-annual report of the Ethics and Compliance Committee. The Committee itself reported on the 2024-2025 Compliance Plan, which was approved by the Board of Directors.

Throughout 2023, the Ethics and Compliance Committee met nine times and completed an investigation on nineteen events reported through the Ethical Channel, although only once was a breach of internal regulations and the Code of Conduct found, following the processing of the corresponding file, where the competent bodies proposed and adopted the necessary measures.

4.7. Training sessions

Following the Audit Committee's training plan, four training sessions were held on "Cybersecurity", "Trends in international taxation", "geopolitical trends" and "Corporate Governance (M&A vision)", which were extended to the other members of the Board of Directors.

4.8. Other functions

As regards other functions, the issuance of the mandatory report required by current legislation and the Company's internal regulations, when related-party transactions have been submitted to the Board of Directors or with entities related to

directors, although not expected for 2023 (a matter which is explained in detail below in section C).

4.9. Assessment

Led by the ARSC, as part of the assessment of the Board of Directors and the Committees, the quality and operations of the Audit Committee have been assessed, concluding that they have shown strong commitment to and complied with the provisions of the law and internal regulations with regard to their organisation, operations and activities covered, without preventing the on-going improvement of their activity.

C. REPORT ON RELATED-PARTY TRANSACTIONS

The Audit Committee has prepared this report on related-party transactions for its publication on the Company's website (www.viscofan.com), in accordance with recommendation six of the Good Governance Code of Listed Companies.

Pursuant to the Board of Directors' Regulations and Audit Committee Regulations, one of the duties of the Audit Committee is to report to the Board of Directors, before adopting related-party transactions in the cases and terms envisaged in the Corporate Enterprises Act. Likewise, and in accordance with internal regulations, it reports prior to the adoption by the Board of Directors of transactions with entities related to the directors.

Pursuant to article 231 of the Corporate Enterprises Act, none of the companies forming part of the Viscofan Group have performed transactions with related parties. However, in 2023, the Group had dealings with Banca March, S.A., a financial institution linked to Corporación Financiera Alba, S.A., which held 14.25% of the Company's shares at 31 December 2023 (14.25% at 31 December 2022). In January 2023, a credit account was entered into with a limit of 10 million euros, extendable annually until January 2026. Also in 2023, the Company has closed a gas hedging contract for 100,000 MWh, with 25,000 MWh still open at the end of the year. In 2022, the loan of 10 million euros and the exchange rate hedges that the Group had entered into with Banca March S.A. ended. During 2023 and 2022, no additional services were provided by companies related to the shareholder: All transactions take place in normal market conditions.

D. REPORT ON THE INDEPENDENCE OF THE AUDITOR

The Audit Committee issues this report in compliance with its duty to express its opinion on the independence of the accounts auditor included in Article 15 of the Board of Directors Regulations and Article 26.3 of the Committee Regulations.

As the external auditors of Viscofan S.A. and its subsidiaries, PwC have audited the accounts for 2023, which is the fifth year in which they have provided this service.

During 2023, the Audit Committee supervised and monitored the arrangement of non-audit services at all Group companies, as specified in the pre-approval policy on external audit services. The following table is derived from this monitoring and will be contained in the notes to the financial statements:

| FY 2023 | Thousands of euros | | |
|-------------------------------------|-----------------------|------------------------------|------------|
| | In the parent company | In the rest of the companies | Total |
| PwC Auditores, S.L. | 127 | 151 | 278 |
| PwC Network | 0 | 545 | 545 |
| Audit services | 127 | 696 | 823 |
| PwC Auditores, S.L. | 4 | 11 | 15 |
| PwC Network | 0 | 38 | 38 |
| Other audit-related services | 4 | 49 | 53 |
| Total as at 31 December 2023 | 131 | 745 | 876 |

| FY 2022 | Thousands of euros | | |
|-------------------------------------|-----------------------|------------------------------|------------|
| | In the parent company | In the rest of the companies | Total |
| PwC Auditores, S.L. | 125 | 150 | 275 |
| PwC Network | 0 | 479 | 479 |
| Audit services | 125 | 629 | 754 |
| PwC Auditores, S.L. | 7 | 1 | 8 |
| PwC Network | 0 | 36 | 36 |
| Other audit-related services | 7 | 37 | 44 |
| Total as at 31 December 2022 | 132 | 666 | 798 |

The Audit Committee has received a declaration of independence from PwC, Auditores S.L. They declare that they have complied with the requirements to guarantee their independence as external auditors with regard to the commission and performance of the audit, the audit services and other services, as well as the existence of the procedures aimed at identifying and evaluating threats that may arise from circumstances related to audited entities and that may pose a significant threat to their independence.

Therefore, the Audit Committee considers that the requirements to guarantee the independence of the external auditors PwC have been met and will inform the Board of Directors accordingly.

This report was unanimously approved by the Audit Committee at its meeting of 21 February 2024 and sent for the approval of the Board of Directors.