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**ISSUER'S PARTICULARS**

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Reporting date:

[ 31/12/2023 ]

Tax ID No.:

[ A 08020729 ]

Company name:

[ **MIQUEL Y COSTAS & MIQUEL, S.A.** ]

Registered office:

[ TUSET, 10 BARCELONA ]

**A. OWNERSHIP STRUCTURE**

- A.1. Complete the following table on the share capital and voting rights attributed, including, where applicable, those corresponding to loyalty shares, at the reporting date:

Indicate whether the company's articles of association contain a provision attributing double voting rights to loyalty shares:

Yes

No

Last modified on	Share capital (€)	Number of shares	Number of voting rights
19/11/2021	80,000,000.00	40,000,000	40,000,000

Indicate whether there are different classes of shares carrying different rights:

Yes

No

- A.2. List the direct and indirect holders of significant ownership interests at the reporting date, including Board Members with a significant ownership interest:

Name or company name of shareholder	% of voting rights attributed to shares		% of voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
JORGE MERCADER MIRÓ	1.57	16.13	0.00	0.00	17.70
INSINGER DE BEAUFORT ASSET MANAGEMENT N.V.	0.00	4.39	0.00	0.00	4.39
MARÍA DEL CARMEN ESCASANY MIQUEL	3.62	9.00	0.00	0.00	12.62
BERNADETTE MIQUEL VACARISAS	0.35	12.30	0.00	0.00	12.65
INDUMENTA PUERI, S.L.	0.00	14.65	0.00	0.00	14.65

Details of indirect ownership interest:

Name or company name of indirect holder	Name or company name of direct holder	% of voting rights attributed to shares	% of voting rights through financial instruments	% of total voting rights
INSINGER DE BEAUFORT ASSET MANAGEMENT N.V.	COLLECTIVE INVESTMENT UNDERTAKINGS	4.39	0.00	4.39
MARÍA DEL CARMEN ESCASANY MIQUEL	ENKIDU INVERSIONES, S.L.	9.00	0.00	9.00
INDUMENTA PUERI, S.L.	GLOBAL PORTFOLIO INVESTMENTS, S.L.	14.65	0.00	14.65
BERNADETTE MIQUEL VACARISAS	JOANFRA, S.A.	7.03	0.00	7.03
BERNADETTE MIQUEL VACARISAS	AGRÍCOLA DEL SUDESTE ALMERIENSE, S.A.	5.27	0.00	5.27
JORGE MERCADER MIRÓ	HACIA, S.A.	16.13	0.00	16.13

Indicate the most significant changes in the shareholder structure during the year:

Most significant changes

There were no significant changes in the shareholder structure during the fiscal year

A.3. Give details on the shareholdings, regardless of the percentage, at year-end of the board members who hold voting rights attributed to shares in the company or through financial instruments, excluding the Board Members identified in section A.2 above:

Name or company name of Board Member	% of voting rights attributed to shares (including loyalty shares)		% of voting rights through financial instruments		% of total voting rights	Of the % of total voting rights attributed to shares, indicate, where appropriate, the % of additional votes attributed corresponding to loyalty shares	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
JAVIER BASAÑEZ VILLALUENGA	0.28	0.00	0.00	0.00	0.28	0.00	0.00
JORGE MERCADER BARATA	0.49	0.00	0.00	0.00	0.49	0.00	0.00
EUSEBIO DÍAZ-MORERA PUIG-SUREDA	0.25	0.04	0.00	0.00	0.29	0.00	0.00
ÁLVARO DE LA SERNA CORRAL	0.10	12.63	0.00	0.00	12.73	0.00	0.00
JOSÉ MIQUEL VACARISAS	0.37	12.30	0.00	0.00	12.67	0.00	0.00

% of total voting rights held by board members	3.07
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Details of indirect ownership interest:

Name or company name of Board Member	Name or company name of direct holder	% of voting rights attributed to shares (including loyalty shares)	% of voting rights through financial instruments	% of total voting rights	Of the % of total voting rights attributed to shares, indicate, where appropriate, the % of additional votes attributed corresponding to loyalty shares
ÁLVARO DE LA SERNA CORRAL	ENKIDU INVERSIONES, S.L.	9.00	0.00	9.00	0.00
ÁLVARO DE LA SERNA CORRAL	MARÍA DEL CARMEN ESCASANY MIQUEL	3.62	0.00	3.62	0.00
JOSÉ MIQUEL VACARISAS	AGRÍCOLA DEL SUDESTE ALMERIENSE, S.A.	5.27	0.00	5.27	0.00
JOSÉ MIQUEL VACARISAS	JOANFRA, S.A.	7.03	0.00	7.03	0.00

Give details on the total percentage of voting rights represented on the board:

% of total voting rights represented on the board of Board Members	41.10
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**A.4.** Indicate, as appropriate, any relationships of a family, commercial, contractual or corporate nature existing between the holders of significant ownership interests, insofar as they are known to the company, unless they have scant relevance or arise from the ordinary course of business, except those reported in section A.6:

Name or company name of related party	Type of relationship	Brief description
No data		

- A.5. Indicate, as appropriate, any relationships of a commercial, contractual or corporate nature existing between the holders of significant ownership interests and the company and/or the group, unless they have scant relevance or arise from the ordinary course of business:

Name or company name of related party	Type of relationship	Brief description
No data		

- A.6. Describe the relationships, unless insignificant for the two parties, between significant shareholders or shareholders represented on the board and board members, or their representatives in the case of legal entities.

Explain, where applicable, how the significant shareholders are represented. Specifically, indicate those Board Members appointed to represent significant shareholders, and those whose appointment was proposed by significant shareholders, or related to significant shareholders and/or companies in its group, specifying the nature of the relationships. In particular, state the identity and position of any Board Members or representatives of directors of the listed company who are themselves Board Members or representatives of Board Members of companies that have significant holdings in the listed company or in companies belonging to the same group as a significant shareholder:

Name or company name of related director or representative	Name or company name of related significant shareholder	Name of the group company of the significant shareholder	Description of relationship/position
JORGE MERCADER BARATA	JORGE MERCADER MIRÓ	HACIA, S.A.	JORGE MERCADER BARATA is a Board Member of HACIA, S.A.
ÁLVARO DE LA SERNA CORRAL	MARÍA DEL CARMEN ESCASANY MIQUEL	ENKIDU INVERSIONES, S.L.	ÁLVARO DE LA SERNA CORRAL is joint Board Member of ENKIDU INVERSIONES, S.L.
JOSÉ MIQUEL VACARISAS	BERNADETTE MIQUEL VACARISAS	JOANFRA, S.A.	JOSE MIQUEL VACARISAS is a Board Member of JOANFRA, S.A.
JOSÉ MIQUEL VACARISAS	BERNADETTE MIQUEL VACARISAS	AGRÍCOLA DEL SUDESTE ALMERIENSE, S.A.	JOSÉ MIQUEL VACARISAS has full powers to act in AGRÍCOLA DEL SUDESTE ALMERIENSE S.A., and takes decisions in exercising these powers.

**A.7.** Indicate whether the company has been notified of any shareholders' agreements pursuant to sections 530 and 531 of the Spanish Corporate Enterprises Act (*Ley de Sociedades de Capital*). If so, provide a brief description and list the shareholders that are party to the agreement:

Yes  
 No

Indicate whether the company is aware of any concerted actions among its shareholders. If so, provide a brief description:

Yes  
 No

Expressly indicate any amendment to or termination of such agreements or concerted actions during the year:

The Company is not aware of any agreements or concerted actions among its shareholders.

**A.8.** Indicate whether any individuals or legal entities currently exercise control or could exercise control over the company in accordance with section 5 of the Spanish Securities Market Act (*Ley del Mercado de Valores*). If so, identify them:

Yes  
 No

**A.9.** Complete the following tables on the company's treasury shares.

At year end:

Number of direct shares	Number of indirect shares (*)	% of total share capital
1,818,843		4.55

(\*) Through:

Name or company name of direct holder of the ownership interest	Number of direct shares
No data	

- A.10.** Give details of the conditions and term of the current resolution passed by shareholders authorising the board of Members to issue, buy back or transfer treasury shares:

The acquisition of treasury shares is based on the resolution passed by the shareholders at the General Meeting held on 22 June 2021, which states:

"To authorise the Board to allow both Miquel y Costas & Miquel, S.A., and its majority-owned subsidiaries, to acquire through a purchase, exchange or any other means for valuable consideration permitted by law and to dispose of, with the intervention of authorised mediators, shares of the Company up to the maximum amount permitted by law at any given time and in accordance with that set out in the Company's Internal Code of Conduct, the Share Buyback Programme in force at any given time and other applicable regulations. The equivalent value for which they may be acquired must be set within the limits established by the rules or regulations applicable at any given time.

This authorisation is granted for a period of five (5) years as from this date, observing in all cases the provisions of section 148 of the Corporate Enterprises Act.

To render void the unused part of the authorisation granted to the Board by the shareholders at the Extraordinary and Annual General Meeting of 20 June 2018.

To authorise the Board to allocate, in full or in part, the treasury shares acquired, among other purposes, to remuneration programmes whose purpose is or implies the award of shares or share options, or that are based in any way on the performance of the share price on the stock market, in accordance with that set out in section 146.1.a) of the Spanish Corporate Enterprises Act".

The Board, at its meeting held on 22 June 2021, passed the resolution to execute the authorisation granted by the shareholders at that General Meeting.

- A.11.** Estimated free float:

	%
Estimated free float	44.21

- A.12.** Indicate whether there are any restrictions (statutory, legislative or otherwise) placed on the transfer of securities and/or any restrictions on voting rights. In particular, indicate whether there is any type of restriction that could present obstacles to the takeover of the company by means of share purchases on the market, and any authorisation or notification requirements applicable to acquisitions or transfers of the company's financial instruments under industry regulations.

Yes

No

- A.13.** Indicate whether the shareholders at the general meeting have resolved to take measures to neutralise a takeover bid pursuant to Spanish Law 6/2007.

Yes

No

If so, explain the measures approved and the situations in which the restrictions would be inoperative:

- A.14.** Indicate whether the company has issued securities not traded in a regulated market of the European Union.

Yes

No

If so, identify the various classes of shares and, for each class of shares, the rights and obligations they confer:

## **B. GENERAL MEETING**

- B.1.** Indicate whether quorums for convening the general meeting differ from the system of minimum quorums established in the Corporate Enterprises Act. If so, give details.



- Yes  
 No

**B.2.** Indicate and, as applicable, describe any differences between the company's system of passing corporate resolutions and the framework established in the Corporate Enterprises Act:

- Yes  
 No

**B.3.** Indicate the rules governing amendments to the company's articles of association. In particular, indicate the majorities required to amend the articles of association and, if applicable, the rules for protecting shareholders' rights when amending the articles of association.

The rules applicable to amendments to the Company's Articles of Association are those set out in the Corporate Enterprises Act.

**B.4.** Indicate the data on attendance at the general meetings held in the year to which this report refers and those of the two previous years:

Date of general meeting	Attendance data				Total
	% attending in person	% attending by proxy	% voting remotely		
			Electronic voting	Other	
22/06/2021	50.30	18.59	0.00	0.00	68.89
Of which, free float	5.86	10.33	0.00	0.00	16.19
21/06/2022	44.76	17.41	0.00	21.14	83.31
Of which, free float	0.92	11.05	0.00	19.39	31.36
22/06/2023	45.50	19.63	0.00	4.63	69.76
Of which, free float	0.23	13.49	0.00	3.17	16.89

**B.5.** Indicate whether any item on the agenda of the general meetings held during the year was not approved by the shareholders for any reason:

- Yes  
 No

**B.6.** Indicate whether the articles of association contain any restrictions with regard to a minimum number of shares required to attend general meetings or to vote remotely:

- Yes  
 No

Number of shares required to attend general meetings	100
Number of shares required to vote remotely	

**B.7.** Indicate whether certain decisions, other than those established by law, entailing an acquisition, disposal or contribution to another company of core assets or other similar corporate transactions must be subject to approval by the shareholders at the general meeting:

- Yes  
 No

**B.8.** Indicate the address and method of accessing corporate governance information on the company's website and other information on general meetings that must be made available to shareholders on the website:

The address of the Company's corporate website is [www.miquelycostas.com](http://www.miquelycostas.com). The content of the website includes information considered to be of interest to shareholders and investors, and information required by current regulations.

The "Corporate information" section contains information on corporate governance and general meetings, which can be accessed from the home page via the following route: Corporate information/Corporate governance.

**C. MANAGEMENT STRUCTURE OF THE COMPANY**

**C.1. Board of Members**

C.1.1 Maximum and minimum number of Board Members established in the articles of association and the number set by the general meeting:

Maximum number of Board Members	15
Minimum number of Board Members	5
Number of Board Members set by the general meeting	10

C.1.2 Complete the following table with board members' details:

Name or company name of Board Member	Representative	Category of Board Member	Position on the board	Date of first appointment	Date of last appointment	Procedure for election
JOSE CLAUDIO ARANZADI MARTINEZ		Independent	MEMBER	20/06/2019	22/06/2023	GENERAL MEETING RESOLUTION
JAVIER BASAÑEZ VILLALUENGA		Other non-executive	MEMBER	28/07/2008	22/06/2023	GENERAL MEETING RESOLUTION
MARTA LACAMBRA I PUIG		Independent	MEMBER	20/06/2019	22/06/2023	GENERAL MEETING RESOLUTION
JORGE MERCADER MIRÓ		Proprietary	MEMBER	05/11/1991	22/06/2023	GENERAL MEETING RESOLUTION
JORGE MERCADER BARATA		Executive	CHAIRMAN	27/06/2012	21/06/2022	GENERAL MEETING RESOLUTION
EUSEBIO DÍAZ-MORERA PUIG-SUREDA		Other non-executive	MEMBER	18/04/1997	21/06/2022	GENERAL MEETING RESOLUTION
ÁLVARO DE LA SERNA CORRAL		Proprietary	MEMBER	28/07/2008	22/06/2023	GENERAL MEETING RESOLUTION
JOSÉ MIQUEL VACARISAS		Proprietary	MEMBER	22/06/2023	22/06/2023	GENERAL MEETING RESOLUTION
NARCÍS SERRA SERRA		Independent	MEMBER	22/06/2023	22/06/2023	GENERAL MEETING RESOLUTION
MARÍA TERESA BUSTO DEL CASTILLO		Independent	MEMBER	22/06/2023	22/06/2023	GENERAL MEETING RESOLUTION

Total number of Board Members	10
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Indicate if any Board member, whether through resignation or by resolution of the general meeting, have left the board of directors during this reporting period:

Name or company name of Board Member	Category of Board Member when they cease to hold their position	Date of last appointment	Date of departure	Specialised committees of which they were a member	Indicate whether the Board Member left before the end of the term
No data					

C.1.3 Complete the following tables on Board Members and their respective categories.

EXECUTIVE BOARD MEMBERS		
Name or company name of Board members	Position held in the company	Profile
JORGE MERCADER BARATA	CHAIRMAN	Industrial engineer, specialising in chemistry; MBA from the IESE Business School; CEIBS Exchange Programme. Shanghai (China) He is currently the Chairman of Miquel y Costas & Miquel, S.A.; Director of Hacia, S.A., Trustee of Fundación Princesa de Girona, Member of the Advisory Board of UEA (Unió Empresarial Anoia), and Member of the Executive Committee of the IESE Alumni Association.

Total number of executive Board member	1
% of the board	10.00

PROPRIETARY NON-EXECUTIVE BOARD MEMBERS		
Name or company name of Board Members	Name or company name of significant shareholder represented or proposing appointment	Profile
ÁLVARO DE LA SERNA CORRAL	ENKIDU INVERSIONES, S.L.	He holds a degree in Economics and Business from Universidad Autónoma de Madrid and a Master's degree in Economics and Business from the IESE Business School. He is currently an Executive at Credit Suisse AG Sucursal en España, Director of Sasekilia, S.L., joint Director and Deputy of Enkidu Inversiones, S.L. and representative of Enkidu Inversiones, S.L. (sole director) at Gilgamesh Inmoinversión, S.L.U. and Cynamon 2005, S.L., and member of the Board of Trustees, Treasurer of Fundación Hospitalaria de la Orden de Malta in Spain and Board Member of Miquel y Costas & Miquel,
JORGE MERCADER MIRÓ	HACIA, S.A.	He holds a PhD in Industrial Engineering from the Barcelona School of Industrial Engineering and a Master's degree in Economics and Business from the IESE Business School. He is currently a member of the Honorary Board of Fundación del Círculo de Economía, Trustee of Fundación Princesa de Girona and of Fundación Pasqual Maragall, Vice President of the Instituto Cerdà, President of Fundación Gala-

		Dalí and of Hacia, S.A. and Honorary Chairman of Miquel y Costas & Miquel, S.A.
JOSÉ MIQUEL VACARISAS	JOANFRA, S.A.	He has a degree in Industrial Engineering from the Polytechnic University of Catalonia, a postgraduate degree in Financial Management from the Pompeu Fabra Polytechnic University, a Master's degree in International Business Economics from the Westminster Business School in London, General Management Programme (PDG) from the IESE Business School, Corporate Compliance from ESADE. He is currently the Head of Internal Audit & Compliance at the Eugin Group, and Board Member of Joanfra, S.A. and of Miquel y Costas & Miquel, S.A.

Total number of proprietary Board Members	3
% of the Board	30.00

INDEPENDENT NON-EXECUTIVE BOARD MEMBERS	
Name or company name of Board Members	Profile
JOSE CLAUDIO ARANZADI MARTINEZ	Industrial Engineer from the Bilbao School of Industrial Engineering and has a degree in Economics from Paris University. He is currently Coordinator of the Ministry of Defence publication "Energy and Geostrategy", Member of the Advisory Committee of GED, and Board Member of Miquel y Costas & Miquel, S.A.
MARTA LACAMBRA I PUIG	She has a degree in Economics and a Master's degree in Economic Theory and Quantitative Methods from Universitat Autònoma de Barcelona; II Executive Training Programme from the EAPC/IESE; a Master's degree in Economics and Management of the Regional and Local Treasury from the Faculty of Economics of the University of Barcelona; Senior Business Management Programme (PADE) from the IESE Business School. She is currently the General Manager of Fundació Catalunya-La Pedrera, Managing Director of Món St. Benet, S.L., Member of the Board of Círculo de Cultura and Member of the Academic Board of the Chair of Leadership and Democratic Governance at ESADE, Member of the Board of Trustees of Fundació Món Clínic, and Member of the Board of Trustees of the International Information and Documentation Centre (CIDOB) Foundation in Barcelona, and Board Member of Miquel y Costas & Miquel, S.A.
NARCÍS SERRA SERRA	He has a PhD in Economics from Universitat Autònoma de Barcelona (UAB), and is Research Fellow at the LSE in the field of Monetary Economics, and Associate Professor of Economic Theory at the UAB. He is currently Honorary President of IBEI (Institut Barcelona d'Estudis Internacionals) and Board Member of Miquel y Costas & Miquel, S.A.
MARÍA TERESA BUSTO DEL CASTILLO	Industrial Engineer from the Polytechnic University of Madrid, Executive Master of Business Administration from IE Business School. She is currently the Chair of ENTALENTA, S.L., Board Member of MTorres Diseños Industriales, S.A.U., Board Member of Miquel y Costas & Miquel, S.A., Member of the Scientific Advisory Committee of CSIC, Professor for the Master's degree programme in Aeronautical Engineering at the European University of Madrid.

Total number of independent Board Members	4
% of the Board	40.00

Indicate whether any independent Board Member receives from the company or its group any amount or benefit other than Board Members' remuneration or maintains, or has maintained over the last financial year, a business relationship with the company or any group company, either in their own name or as a significant shareholder, Board Member or senior executive of a company that maintains or has maintained such a relationship.

If applicable, include a statement from the board detailing the reasons why the director in question may carry on their duties as an independent director.

Name or company name of Board Member	Description of the relationship	Reasons	
No data			
<b>OTHER NON-EXECUTIVE BOARD MEMBERS</b>			
Identify all other non-executive Board Members, explain why they cannot be considered proprietary or independent Board Members and give details of their relationships with the company, its executives or its shareholders:			
Name or company name of Board Member	Reasons	Company, executive or shareholder with which the relationship is maintained	Profile
EUSEBIO DÍAZ-MORERA PUIG-SUREDA	He was initially an independent Board Member who, as a result of having reached the legally established limit for holding his position on a continuous basis, in accordance with paragraph 4.i) of section 529 duodecimes of the Corporate Enterprises Act at the time of his re-election by the shareholders at the General Meeting held on 20 June 2018, then became a non-executive Board Member	OTHER COMPANY SHAREHOLDERS	He holds a degree in Economics and MBA from the IESE Business School. He is currently Deputy Chairman and Director of EDM Gestión, S.A.U. SGIIC and Board Member of Miquel y Costas & Miquel, S.A. and other collective investment undertakings.
JAVIER BASAÑEZ VILLALUENGA	He was initially an executive Board Member who then became classified as an other non-executive Board Member in view of his skills, experience and merits demonstrated throughout his professional career and, in particular, during his term as a director of the Company.	NONE	He holds a degree in Political, Economic and Commercial Sciences from the Central University of Barcelona, is a registered non-practising auditor with the Spanish Accounting and Audit Institute, and has a degree in transport services management. He is currently a Board Member of Miquel y Costas & Miquel, S.A. and Desvi, S.A.

Total number of other non-executive Board Members	2
% of the Board	20.00

Indicate any changes in the category of each director during the period:

Name or company name of Board Members	Date of change	Previous category	Current category
JORGE MERCADER MIRÓ	01/07/2023	Executive	Proprietary

C.1.4 Complete the following table with information on the number of female Board Members at the end of the last four years and the category to which they were assigned:

	Number of female Board Members				% of total directors of each category			
	2023	2022	2021	2020	2023	2022	2021	2020
Executive					0.00	0.00	0.00	0.00
Proprietary			1	1	0.00	0.00	10.00	10.00
Independent	2	1	1	1	20.00	10.00	10.00	10.00
Other non-executive					0.00	0.00	0.00	0.00
Total	2	1	2	2	20.00	10.00	20.00	20.00

C.1.5 Indicate whether the company has diversity policies in relation to its board of members on matters such as age, gender, disability, or training and professional experience. Small and medium-sized enterprises, as defined in the Spanish Audit Act (*Ley de Auditoría de Cuentas*), must at least report the policy they have implemented in relation to gender diversity.

- Yes  
 No  
 Partial policies

If so, describe these diversity policies, their objectives, the measures and way in which they have been applied and their results during the year. Also indicate the specific measures adopted by the board of members and the appointments and remuneration committee to achieve a balanced and diverse presence of Board members.

If the company does not apply a diversity policy, explain the reasons why not.

Description of the policies, objectives, measures, how they have been applied, and the results obtained

The Board's diversity policy is based on the principles of appropriate composition of the Board; promotion of diversity in its composition; non-discrimination and equal treatment; and compliance with current law.

Therefore, to ensure that there are a variety of opinions within the Board, the responsible bodies will keep in mind the principle of diversity at all times, in particular this includes diversity of gender, training, knowledge and professional experience, skills or age, and the principle of non-discrimination and equal treatment, ensuring that the process of appointing or re-electing Board Members includes candidates of the under-represented gender and avoids that any kind of discrimination in this regard.

To promote diversity, the Company will therefore establish measures aimed at encouraging an appropriate number of members, so as to achieve an appropriate, diverse and balanced composition of the Board as a whole, which enriches decision-making and brings a variety of viewpoints to the discussion of matters within its competence.

The Human Resources, Appointments and Remuneration Committee must therefore ensure that selection processes do not entail any implicit biases that could imply any type of discrimination based on gender, ethnic origin, age or disability, among other reasons. In particular, at least one woman with the professional profile sought will be included among the potential candidates for Board Members, without prejudice to the essential criteria of merit and ability that must govern these processes, with the aim of ensuring that the percentage of female Board Members reaches at least the percentage that is required by law at any given time.

Board membership candidates must meet the Company's requirements regarding professional and personal qualification and integrity. They must be reputable, suitable people of recognised professional solvency, competence, experience, qualification, training, availability and commitment to their position, with a personal and professional record of respect for the law and good business practices, and they must comply with that established by law at all times, to form part of a managing body.

It should be noted that this year the Human Resources, Appointments and Remuneration Committee, as a result of being responsible for

proposing the appointment of new Board Members, carried out an extensive selection process with the participation of an external consultant of recognised prestige in which several candidates were assessed. In particular, at the beginning of this process the Human Resources, Appointments and Remuneration Committee established the profile of the ideal Board Members for the position, taking into account the skills matrix of the Board and, in particular, the experience and knowledge considered necessary for the position, the commitment to gender diversity assumed by the Board in the selection of Board Members, and the search for diversity of experience and profiles in the composition of the Board.

The Human Resources, Appointments and Remuneration Committee determined that the profiles identified required outstanding skills, among others, in the field of economics, international relations, and innovation and development (R&D), with at least one of the two profiles being covered by a female Board Member so as to promote gender diversity in the composition of the Board and to gradually adapt to current regulations and good governance recommendations in this area.

As a result of this selection process, the Committee agreed to propose to the shareholders at the General Meeting the appointment of Narcís Serra and M<sup>a</sup> Teresa Busto del Castillo as independent Board Members of the Company.

- C.1.6 Explain the measures taken, if applicable, by the appointments committee to ensure that the selection processes have no implicit bias that would make it difficult to select female Board Members, and that the company makes a conscious effort to search for female candidates who have the required profile to guarantee an even balance between men and women. Indicate as well whether these measures include the promotion of a significant number of female executives:**

#### Explanation of the measures

The Company's Board Regulations stipulate that the basic responsibilities of the Human Resources, Appointments and Remuneration Committee include reporting to the Board on gender diversity issues and proposing to the Board a target for representation of the under-represented gender on the Board and developing guidance on how to achieve this target.

The election or appointment of Board Members must be preceded by a proposal from the Human Resources, Appointments and Remuneration Committee in the case of independent Board Members and a report in the case of other Board Members; the proposal will be based on a prior assessment of the skills, knowledge and experience required on the Board, while ensuring the commitment to promote an appropriate and diverse composition.

As indicated in section C.1.5 of this Report, the Human Resources, Appointments and Remuneration Committee carried out an extensive selection process during the year in which several candidates were evaluated to fill the vacancies on the Board as a result of the term of office of three members having ended. The Board Member profile for the position was established at the beginning of this process, taking into account the skills matrix of the Board and, in particular, the experience and knowledge considered necessary for the position, the commitment to gender diversity assumed by the Board in the selection of Board Members, and the search for diversity of experience and profiles in the composition of the Board. Specifically, it was determined that the profiles identified required outstanding skills in the field of economics, international relations, and innovation and development (R&D), among others, with at least one of the two profiles being covered by a female Board Member so as to promote gender diversity in the composition of the Board and to gradually adapt to current regulations and good governance recommendations in this area.

The Company's labour and human resources development policy, which is applicable to all personnel including senior executives, has always been governed by the principle of non-discrimination, with one of its pillars being respect for the rights and dignity of individuals (regardless of gender). In accordance with this principle and in the spirit of the current law to achieve effective equality between men and women, the Company has an equality plan that aims to contribute to eliminating discriminatory behaviour in the workplace based on gender and includes, among others, implementing measures that favour the inclusion, long-term service and development of people with the aim of achieving balanced participation between women and men at all levels of the organisation.

- When, despite the measures taken, there are few or no female Board Members or female executives, explain the reasons.**

#### Explanation of the reasons

As indicated in section C.1.5 of this Report, M<sup>a</sup> Teresa Busto del Castillo joined the Board as an independent Member in 2023.

It should be noted that, in particular when there are vacancies to be filled on the Board, as was the case during the year, and in all other cases, Board Members and senior executives are selected in an objective manner, taking into consideration individuals of both genders who meet the requirements and have the necessary skills, and taking into account the candidate's reputation, knowledge and professional experience to hold the position.

If there are two candidates with the same qualifications, the one representing the under-represented gender will be selected.

- C.1.7 Explain the conclusions of the appointments committee regarding verification of compliance with the selection policy aimed at promoting an appropriate composition of the board of Board Members.**

The Company, and in particular its Board and the Human Resources, Appointments and Remuneration Committee, considers that assessing the competence, knowledge, experience and skills of the candidate to actively collaborate with the Company is essential when selecting Board



Members, ensuring that there is no discrimination based on gender during the selection process.

C.1.8 Explain the reasons for the appointment of any proprietary Board Members at the request of shareholders controlling less than 3% of the share capital.

Name or company name of shareholder	Reason
No data	

Provide details of any rejections of formal requests for board representation from shareholders whose ownership interest is equal to or greater than that of other shareholders who have successfully requested the appointment of proprietary directors. If applicable, explain why these requests were rejected:

- Yes  
 No

C.1.9 Indicate whether any powers or authorities have been delegated by the board of Board Members, including those related to the possibility of issuing or buying back shares, to Board Members or board committees:

Name or company name of the Board Members or committee	Brief description
JORGE MERCADER BARATA	He has broad powers commensurate with his duties as Chairman of the Company, which do not include the ability to issue or repurchase shares.

C.1.10 Identify, as appropriate, the board members who hold office as member, representatives of members or executives at other companies forming part of the listed company's group:

Name or company name of Board Members	Name of the group company	Position	Do they have executive functions?
JAVIER BASAÑEZ VILLALUENGA	DESVI, S.A.	MEMBER	NO
JORGE MERCADER BARATA	MIQUEL Y COSTAS DEUTSCHLAND GMBH	SOLE DIRECTOR	YES
JORGE MERCADER BARATA	PAPELES ANOIA, S.A.	CHAIRMAN	NO
JORGE MERCADER BARATA	CELULOSA DE LEVANTE, S.A.	MEMBER	NO
JORGE MERCADER BARATA	S.A. PAYA MIRALLES	MEMBER	NO
JORGE MERCADER BARATA	CLARIANA, S.A.	MEMBER (REPRESENTED BY A NATURAL PERSON)	NO
JORGE MERCADER BARATA	SOCIEDAD ESPAÑOLA ZIG ZAG, S.A.	CHAIRMAN	NO
JORGE MERCADER BARATA	DESVI, S.A.	MEMBER	NO
JORGE MERCADER BARATA	MB PAPELES ESPECIALES, S.A.	CHAIRMAN (REPRESENTED BY A NATURAL PERSON)	NO
JORGE MERCADER BARATA	MIQUEL Y COSTAS ENERGÍA Y MEDIO AMBIENTE, S.A.	CHAIRMAN	NO

JORGE MERCADER BARATA	MIQUEL Y COSTAS TECNOLOGÍAS, S.A.	CHAIRMAN	NO
JORGE MERCADER BARATA	TERRANOVA PAPERS, S.A.	CHAIRMAN (REPRESENTED BY A NATURAL PERSON)	NO
JORGE MERCADER BARATA	MIQUEL Y COSTAS LOGISTICA, S.A.	CHAIRMAN (REPRESENTED BY A NATURAL PERSON)	NO
JORGE MERCADER BARATA	FOURTUBE, S.L.	MEMBER (REPRESENTED BY A NATURAL PERSON)	NO

C.1.11 Give details of any board members, directors or executives, or their representatives, who are members of the company's board of directors in other entities, whether or not they are listed companies:

Name of Board Members or representative	Name of listed or unlisted company	Position
JORGE MERCADER BARATA	HACIA, S.A.	MEMBER
JORGE MERCADER MIRÓ	HACIA, S.A.	CHAIRMAN
MARTA LACAMBRA I PUIG	MÓN ST. BENET, S.L.	CHIEF EXECUTIVE OFFICER
ÁLVARO DE LA SERNA CORRAL	ENKIDU INVERSIONES, S.L.	JOINT AND SEVERAL DIRECTOR
ÁLVARO DE LA SERNA CORRAL	SASEKILIA, S.L.	MEMBER
JAVIER BASAÑEZ VILLALUENGA	DESVI, S.A.	MEMBER
JOSÉ MIQUEL VACARISAS	JOANFRA, S.A.	MEMBER
MARÍA TERESA BUSTO DEL CASTILLO	MTorres Diseños Industriales, S.A.U.	MEMBER
EUSEBIO DÍAZ-MORERA PUIG-SUREDA	EDM GESTIÓN, S.A.U. SGIIC	DEPUTY CHAIRMAN

Indicate, where applicable, any other paid activities carried out by the directors or their representatives, whatever their nature, other than those indicated in the above table.

Name of Board Member or representative	Other paid activities
NARCÍS SERRA SERRA	He is an advisor to various Latin American governments in the framework of the Inter-American Development Bank (IDB) programmes and the programme on security sector reform in Serbia and Montenegro. He is a member of the Study Group on Europe's Security Capabilities, co-author of the reports "A Human Security Doctrine for Europe" and "A European Way of Security"; Co-director of the "From the Washington Consensus towards a New Global Governance" seminar together with Nobel Prize winner Joseph Stiglitz. The seminar established "The Barcelona Development Agenda". He promotes the annual "Ibero-American Development Agenda" seminar, in collaboration with the Ibero-American General Secretariat and the Economic Commission for Latin America and the Caribbean (CEPAL).
ÁLVARO DE LA SERNA CORRAL	He is an executive at Credit Suisse AG Branch Office in Spain.

JOSÉ MIQUEL VACARISAS	He is the Head of Internal Audit & Compliance at the Eugin Group.
MARÍA TERESA BUSTO DEL CASTILLO	She is the Chair of ENTALENTA, S.L.; Member of the Scientific Advisory Committee of CSIC, and Professor for the Master's degree programme in Aeronautical Engineering at the European University of Madrid.

C.1.12 Indicate and, where appropriate, explain whether the company has any rules on the maximum number of boards on which its Board members may sit, identifying, if applicable, where this is regulated:

[  ] Yes  
[  ] No

Explanation of the rules and where are they stated

The Company's Board Regulations specify that in order for Board Members to be able to devote the time and effort necessary to performing their duties effectively, they may not serve on more than four boards.

For the purpose of calculating the number of boards referred to in the paragraph above, the following rules will be taken into account:

- The boards on which the Board Members sits as a Proprietary Board Member proposed by Miquel y Costas & Miquel, S.A. or by any of its Group companies will not be counted.
- All the Boards of Companies that form part of the same group, and those on which the Board Member sits as a Proprietary Board Member of a Group company, will be counted as a single Board, even if the Company's ownership interest in the share capital or its degree of control does not allow it to be considered to form part of the Group.
- The Boards of asset-holding companies or companies that are vehicles or ancillary to exercising the professional services of the Board Member, their spouse or domestic partner, or their close family members, will not be counted.
- The Boards of Companies where, although of a commercial nature, their purpose is supplementary or ancillary to another activity that for the Board Member is considered a leisure activity, assistance or aid to third parties, or any other activity that does not entail true dedication by the director to a commercial business, will not be counted.

C.1.13 Indicate the amount of total remuneration received by the board of members:

Remuneration earned during the year by the board of members (thousands of euros)	3,086
Amount of funds accumulated by current board members through long-term savings schemes with vested dividend rights (thousands of euros)	
Amount of funds accumulated by current board members through long-term savings schemes without vested dividend rights (thousands of euros)	767
Amount of funds accumulated by former board members through long-term savings schemes (thousands of euros)	

C.1.14 Identify the senior executives who are not executive board members and indicate the total remuneration paid to them during the year:

Name or company name	Position(s)
OLGA ENCUESTRA CATALÁN	HEAD OF MANAGEMENT CONTROL OF THE GROUP
JAVIER GARCÍA BLASCO	SALES MANAGER OF THE LIBRITOS DIVISION
MARINA JURADO SALVADO	SALES MANAGER OF THE FUMAR DIVISION
JORDI PRAT CANADELL	CHIEF FINANCIAL OFFICER OF THE GROUP
IGNASI NIETO MAGALDI	ASSISTANT GENERAL MANAGER
JOSÉ MARÍA MASIFERN VALÓN	MANAGER OF THE BESÓS FACTORY
VICTORIA LACASA ESTEBANEZ	HEAD OF THE GROUP'S LEGAL AFFAIRS

Name or company name	Position(s)
JOSEP PAYOLA BASETS	MANAGER OF MB PAPELES ESPECIALES, S.A.
ALFONSO PÉREZ LLORENTE	MANAGER OF THE MISLATA FACTORY
ANTONI ALBAREDA SOTERAS	MANAGER OF THE CAPELLADES FACTORY

Number of women in senior executive positions	3
Percentage of the total number of senior executives	30.00

Total remuneration of senior executives (thousands of euros)	2,561
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C.1.15 Indicate whether any amendments were made to the board regulations during the year:

- Yes  
 No

#### Description of amendments

Following a favourable report from the Audit Committee, at its meeting held on 27 September 2023 the Board unanimously resolved to make the following amendments to the Company's Board Regulations:

- (i) the inclusion of a new "Article 8 bis" under the title "Honorary Chairman" so as to regulate this figure, as a result of the appointment of Mr. Jorge Mercader Miró as Honorary Chairman of the Company.
- (ii) the inclusion of a new section 6 in "Article 11" (relating to the Audit Committee) with the aim of including the provision that, for all matters not expressly included in the Board Regulations, the Audit Committee will be governed by the same rules of operation as the Board, thus according it treatment similar to that given to the Human Resources, Appointments and Remuneration Committee in section 6 of Article 12 of these Regulations.

C.1.16 Indicate the procedures for the selection, appointment, re-election and removal of board members. Give details of the competent bodies, the formalities to be fulfilled and the criteria to be used in each of the procedures.

The Board Regulations establish the following regarding the appointment of Board members:

- Board Members will be elected by the shareholders at the General Meeting or appointed by the Board, in the event of appointment by co-option, in accordance with that set out in the Corporate Enterprises Act and the Articles of Association. The election or appointment of Board Members must be preceded by a proposal from the Human Resources, Appointments and Remuneration Committee in the case of independent Board Members and a report in the case of other Board Members.
- The Board Members appointed must meet the requirements set out in the Articles of Association to hold the position and may not be subject to any of the grounds for disqualification established by law.
- Board Members will serve for the term indicated in the Articles of Association and may be re-elected.

The Articles of Association stipulate that Board Members do not have to be shareholders and will always be appointed and re-elected by the shareholders at the General Meeting and will serve for a term of four years.

The Board Regulations also establish the following regarding the removal of Board Members:

1- Board Members will cease to hold office when the term for which they were appointed elapses, or when so decided at the General Meeting pursuant to the powers conferred upon it by law.

2- The Board will propose the removal of Board Members at the General Meeting in the following cases, among others:

- When they become subject to any incompatibility or prohibition provided for by law.
- When their continued presence on the Board may jeopardise the Company's interests or when the reasons for which they were appointed no longer exist. The latter will be considered to occur with respect to a Proprietary Board Member when the entire shareholding they own or whose interests they represent is disposed of and when this shareholding is reduced to a level that also requires the number of their Proprietary Board Members to be reduced.

3- When a Board Member's term of office has ended or when they cease to discharge their position for any other reason, they may not render services at any other company that has relations with competitors of Miquel y Costas Group Companies for a period of two years.

4- If they cease to discharge their position before the end of their term of office, they must explain the reasons for doing so in a letter to be sent to all Board Members. The termination will be reported to the Spanish National Securities Market Commission (CNMV) as a significant event and it will be included in the Annual Corporate Governance Report (AGC)

C.1.17 Explain to what extent the annual assessment of the board has resulted in significant changes in its internal organisation and the procedures applicable to its activities:

Description of amendments

Based on the conclusions drawn from the assessment of and the discussions on the Board's activity, this Board did not consider it necessary to adopt a specific plan to correct the statements made.

Describe the assessment process and the areas evaluated by the board of board members with the assistance, if any, of an external consultant, with regard to the functioning and composition of the board and its committees and any other area or aspect that has been evaluated.

Description of the assessment process and areas evaluated

For the purpose of complying with the Corporate Enterprises Act and the Company's Board Regulations, and based on the recommendations established in the Code of Good Governance regarding the annual assessment of the functioning of the managing bodies, in January 2024 the Board Members, assisted by an independent external consultant, evaluated the performance of the functions of the Board, its Committees and those of the Chairman, applying the form methodology and conducting personalised interviews with several Board Members, with subsequent discussions and analysis at an in-person meeting.

The annual assessment concluded that the overall result of the self-assessment was positive and that the Board Members consider the following to be satisfactory: (i) the quality and efficiency of the functioning of the Board, and its composition and operation, (ii) the functioning and composition of its committees, (iii) the diversity in the composition and competencies of the Board; (iv) the performance of the Chairman of the Board in his duties.

C.1.18 Explain, for those years in which an external consultant participated in the assessment, the business relationships that the consultant or any company in their group has with the company or any company in its group.

In accordance with Recommendation 36 of the Code of Good Governance for Listed Companies, in 2023 the Board was assisted in its assessment and that of its committees by an independent external consultant.

This consultant provides recurring legal advisory services on contractual and securities market matters to the Company.

C.1.19 Indicate the cases in which board members must resign.

The Company's Board Regulations establish that the Board will propose the removal of Board Members to the shareholders at the General Meeting in cases where they are subject to any incompatibility or prohibition provided for by law, when their continued presence on the Board may jeopardise the Company's interests or when the reasons for which they were appointed no longer exist, which is considered to occur with respect to a Proprietary Board Member when the entire shareholding they own or whose interests they represent is disposed of and when this shareholding is reduced to a level that also requires the number of their Proprietary Board Members to be reduced.

These Regulations also provide that, in relation to the Board Member's duties of disclosure, the Board Member must inform the Company of any personal circumstances that affect or may affect the repute or reputation of the Company, in particular, any criminal proceedings in which they are involved as a defendant and the progress of the relevant proceedings. The Board may, after examining the situation presented by the Board Member require the Board Member to resign and the Board Member must abide by this decision.

In addition, the Board may require the Board Member to resign as a result of failing to comply with their general obligations set out in these Regulations.

C.1.20 Are qualified majorities, other than those prescribed by law, required for any type of decisions?

Yes

No

If so, describe the differences.

C.1.21 Indicate whether there are any specific requirements, apart from those relating to the board members, to be appointed chair of the board:

Yes

No

C.1.22 Indicate whether the articles of association or the board regulations set any age limit for board members:

- Yes  
 No

C.1.23 Indicate whether the articles of association or the board regulations set a limit on the term of office or other more stringent requirements in addition to those provided by law for independent board members:

- Yes  
 No

C.1.24 Indicate whether the articles of association or board regulations establish specific rules on appointing a proxy to the board in favour of other board members, the procedures for doing so and, in particular, the maximum number of proxy appointments a board member may hold. Also indicate whether there are any restrictions as to what categories may be appointed as a proxy other than those stipulated by law. If so, briefly describe these rules.

Articles of Association indicate that if any members are unable to attend a Board meeting, they may appoint a proxy and delegate their vote to a Board Member in writing and specifically for each meeting.

Accordingly, the Board Regulations establish that the proxy delegated to another Board Member will be conferred with instructions regarding the decisions to be taken as regard the various items on the agenda of the meeting.

There is no maximum number of proxy appointments or any restrictions on the categories that may be appointed as a proxy other than the limits imposed by regulations.

C.1.25 Indicate the number of board meetings held during the year. Where applicable, indicate how many times the board has met without the chair in attendance. The calculation of attendance will include proxies granted with specific instructions.

Number of board meetings	14
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Number of board meetings held without the chair's attendance	0
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Indicate the number of meetings held by the lead board member with the other board members, without the attendance or representation of any executive board member:

Number of meetings	0
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Indicate the number of meetings the various board committees have held during the year:

Number of meetings of the AUDIT COMMITTEE	9
Number of meetings of the HUMAN RESOURCES, APPOINTMENTS AND REMUNERATION COMMITTEE	4

C.1.26 Indicate the number of board meetings held during the year and the attendance of its members:

Number of meetings with attendance in person of at least 80% of members	14
Attendance in person as a % of the total votes cast during the year	95.71

Number of meetings with attendance in person, or by proxy with specific instructions, of all members	14
Attendance in person and by proxy with specific instructions as a % of the total votes cast during the year	100.00

C.1.27 Indicate whether the separate and consolidated financial statements submitted for approval by the board are certified beforehand:

- Yes  
 No

Identify, where applicable, the person(s) who certified the company's separate and consolidated financial statements prior to their authorisation for issue by the board.

Name	Position
MARTA LACAMBRA I PUIG	CHAIR OF THE AUDIT COMMITTEE
ÁLVARO DE LA SERNA CORRAL	AUDIT COMMITTEE MEMBER
MARÍA TERESA BUSTO DEL CASTILLO	AUDIT COMMITTEE MEMBER

C.1.28 Give details of any mechanisms the board of members has established to ensure that the financial statements submitted by the board of members at the annual general meeting are prepared in accordance with accounting regulations.

The Company and the Miquel y Costas Group Companies prepare their financial statements in accordance with the law and applying generally accepted accounting principles under the supervision of the economic and financial department and the oversight of the Audit Committee.

Each year the heads of the economic and financial department together with the auditors examine and monitor the degree of compliance with the recommendations arising from the work performed in the audit of the financial statements.

In carrying out its duties, the Audit Committee meets with the external auditors at least twice a year to stay informed of any matters related to the process of auditing the financial statements and to deal with any issues that could give rise to possible qualifications in order to take the necessary measures to ensure that this does not occur.

Finally, the Audit Committee submits the financial statements to the Board for authorisation for issue.

C.1.29 Is the secretary to the board also a member?

- Yes  
 No

If the secretary is not a member, complete the following table:

Name or company name of the secretary	Representative
VICTORIA LACASA ESTEBANEZ	NONE

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

In accordance with that set out in the Company's Board Regulations, the Audit Committee issues a report on an annual basis, before the auditor's report is issued, expressing its opinion on the independence of the auditors. The Audit Committee's basic responsibilities, as indicated in these Regulations, include maintaining appropriate relationships with the external auditors to receive information on any matters that may jeopardise their independence, which will be studied by the Committee, and any other matters related to the process of auditing the financial statements and, where appropriate, the authorisation of services other than those prohibited in accordance with applicable regulations, and any other communications stipulated in the regulations governing financial audits and in technical auditing rules. In any case, the Audit Committee must receive written confirmation, on an annual basis, from the auditor of their independence with respect to the Company or any directly or indirectly related companies, and detailed, individualised information on any type of additional services provided and the related fees received from these companies by the auditors or by persons or entities related to the auditor pursuant to that set out in the regulations governing financial audits.

In relation to financial analysts, investment banks and rating agencies, the Company preserves its independence by publicly disclosing to the market all Company information provided to such agents without giving them any preferential treatment.

The Regulations stipulate that the Board will immediately disclose information on the following matters:

- a) relevant information capable of significantly influencing the formation of stock prices.
- b) changes in the Company's ownership structure that it becomes aware of, such as changes in significant shareholdings, syndication arrangements and other forms of coalition.
- c) substantial changes to the Company's governance rules.
- d) the treasury share policies that the Company intends to implement under the authorisations obtained at the General Meeting.

The Internal Code of Conduct also includes and establishes the causes and terms for the dissemination of information to the different financial agents.

C.1.31 Indicate whether the company changed its external auditors during the year. If so, identify the incoming and outgoing auditor:

- Yes  
 No

In the event of any disagreement with the outgoing auditors, explain the reasons for the disagreement:

- Yes  
 No

C.1.32 Indicate whether the audit firm performs other non-audit work for the company and/or its group, and if so, state the amount of fees received for this work and the percentage that this amount represents of the fees billed for audit work to the company and/or its group:

- Yes  
 No

	Company	Group companies	Total
Fees for other non-audit work (thousands of euros)	15	34	49
Fees for other non-audit work / Fees for audit work (%)	16.17	39.79	27.53

C.1.33 Indicate whether the auditor's report for the previous year included any qualifications. 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 those qualifications.

- Yes  
 No

C.1.34 Indicate the number of consecutive years during which the current audit firm has been auditing the company's separate and/or consolidated financial statements. Likewise, indicate how many years the current firm has been auditing the financial statements as a percentage of the total number of years over which the financial statements have been audited:

	Separate	Consolidated
Number of consecutive years	22	22

Separate	Consolidated
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Number of years audited by current audit firm/Number of years the company or its group has been audited (as a %)	62.86	62.86
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C.1.35 Indicate whether there is a procedure for the board members to be able to receive the necessary information to prepare for meetings of the managing bodies sufficiently in advance, and if so, give details:

Yes  
 No

#### Details of the procedure

In relation to Board meetings, the Board Regulations establish the following:

"The call notice will always include the meeting agenda, which will comprise, among other items, that related to information from subsidiaries and Board Committees, and proposals and suggestions made by the Chairman and other Board Members, which will be submitted no less than five business days before the date set for the Board meeting, in accordance with that set out in the Articles of Association."

Each Board Member is provided with a dossier for each Board meeting, which is explained and, if necessary, discussed, and contains detailed information on all the matters to be discussed at the meeting. Those items that are more complex, such as the annual budget, investment plan, strategic plan and other items of special significance, receive this special treatment. Board Members may consult and request any information they require in the period between Board meetings.

C.1.36 Indicate whether the company has established rules requiring board members to report and, if applicable, resign when situations affecting them arise, whether or not related to their performance in the company itself, which may damage its credibility and reputation, and if so, give details:

Yes  
 No

#### Explanation of the rules

In relation to the Board Member's duties of disclosure, the Board Regulations establish the following:

"The Board Member must inform the Company of any personal circumstances that affect or may affect the repute or reputation of the Company, in particular, any criminal proceedings in which they are involved as a defendant and the progress of the relevant proceedings, all of which will be reported in the Annual Corporate Governance Report. The Board may, after examining the situation presented by the Board Member, require the Board Member to resign and the Board Member must abide by this decision."

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 board member, whether or not related to their performance in the company itself, which could damage its credibility and reputation:

Yes  
 No

C.1.38 Give details of the significant agreements entered into by the company that may come into force, be amended or be terminated in the event of a change in control of the company resulting from a takeover bid, and their effects.

No significant agreements were entered into by the Company that may come into force, be amended or be terminated in the event of a change in control resulting from a takeover bid.

C.1.39 Identify individually for board members, and in aggregate terms in all other cases, and provide detailed information on agreements between the company and its officers, executives and employees that provide termination benefits, or guarantee or golden parachute causes, in the event

of resignation, unfair dismissal or termination as a result of a takeover bid or other kinds of transactions.

Number of beneficiaries	5
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Type of beneficiary	Description of the agreement
Executive Board Member and other Senior Executives.	Executive Board Member: The terms of his contract stipulate that in the event of involuntary termination of his executive functions, except for a serious breach of contract, he will be entitled to termination benefits equal one year's gross salary and equivalent termination benefits in the event of a change of control. Both termination benefits, i.e. the benefits for involuntary termination and the benefits in the event of a change of control, are mutually exclusive and involve the recognition of one year's salary. In addition, if the Company imposes a non-complete clause on the Executive Board Member upon their termination, the Board Member will be entitled to compensation equivalent to 50% of their gross monthly salary for a period of two years. The Senior Executives: If the Company imposes a non-complete clause on the executive, they will be entitled to compensation equivalent to 50% of their gross monthly salary for a period of two years.

Indicate whether, apart from the cases envisaged in regulations, these agreements have to be disclosed to and/or approved by the bodies of the company or of its group: If so, specify the procedures, circumstances and nature of the bodies responsible for their approval or disclosure:

	Board of members	General meeting
Body authorising the clauses	√	

	Yes	No
Is the general meeting informed of the clauses?		√

There is nothing established beyond the cases provided for by law.

## C.2. Board committees

C.2.1 Give details of all the board committees, their members and the proportion of executive, proprietary, independent and other non-executive board members.

HUMAN RESOURCES, APPOINTMENTS AND REMUNERATION COMMITTEE		
Name	Position	Category
JOSE CLAUDIO ARANZADI MARTINEZ	CHAIRMAN	Independent
MARTA LACAMBRA I PUIG	MEMBER	Independent
EUSEBIO DÍAZ-MORERA PUIG-SUREDA	MEMBER	Other non-executive
JOSÉ MIQUEL VACARISAS	SECRETARY	Proprietary
NARCÍS SERRA SERRA	MEMBER	Independent

% of Executive Board Members	0.00
% of Proprietary Board Members	20.00

% of Independent Board Members	60.00
% of other non-Executive Board Members	20.00

Explain the functions attributed to this committee and any additional responsibilities provided for by law, and describe the rules and procedures it follows for its organisation and functioning. For each of these functions, briefly describe the most important actions taken during the year and how, in practice, the committee has performed each of the functions attributed to it by law, in the articles of association or other corporate resolutions.

The regulations of the Human resources, Appointments and Remuneration Committee are included in the Articles of Association and in the Company's Board Regulations.

As at 31 December 2023, this Committee is composed of five Board Members, three of whom are Independent, and is chaired by an Independent Board Member.

The Board Regulations stipulate that the Committee will meet at least once a year, adopt its decisions by majority vote and report the content of its meetings to the Board.

These Regulations state that "the Human Resources, Appointments and Remuneration Committee will be governed by the Board's rules of operation in all matters not provided for in these regulations."

The basic responsibilities assigned to the Human Resources, Appointments and Remuneration Committee are as follows:

a. Propose to the Board the appointment of Independent Board Members to be appointed by co-option or to be submitted for approval at the General Meeting, and their re-election or removal by the shareholders at the General Meeting; the remuneration of Board Members and the salary policy for senior management; the individual remuneration of Executive Board Members and the other terms set out in their contracts; the standard contractual terms and conditions for Senior Executives; the general human resources policy for the Group companies; proposing a target for representation of the under-represented gender on the Board, and developing guidance on how to achieve this target.

b. Inform the Board of the appointment of Proprietary Board Members and Executive Members to be appointed by co-option or to be submitted for approval at the General Meeting, and their re-election or removal by the shareholders at the General Meeting; the appointment of the Chairman of the Board; the appointment and removal of Senior Executives, and the standard terms of their contracts; gender diversity issues; the appointment and removal of Senior Executives proposed to the Board by the chief executive; the appointment and removal of the Secretary to the Board.

c. Evaluate the profile of those individuals that are most suited to form part of the different committees, in accordance with their knowledge, skills and experience, defining for these purposes the functions and skills that the candidates should have to fill each vacancy and assessing the time and dedication necessary for them to carry out their duties effectively; the competence, knowledge and skills of the Board Membership candidates; the succession of the Chairman and chief executive and, if appropriate, submitting proposals to the Board so that this succession takes place in an orderly and planned manner; compliance with the internal codes of conduct and corporate governance rules.

In 2023, the Human Resources, Appointments and Remuneration Committee met on four occasions to address the following matters, among others: the structure of and changes in the workforce; review of Board Member's remuneration; evaluate the appointment of the members of the Human Resources, Appointments and Remuneration Committee and the Audit Committee; appoint its Chairman; acknowledge the resignation of the Chairman of the Board and his executive functions; report on the appointment of the new Chairman of the Board, his remuneration and his contract; report on the re-election of the non-Independent Board Members whose term of office has ended; report on the appointment of non-Independent Board Members; propose the re-election of Independent Board Member whose term of office has ended; propose the appointment of Independent Board members; propose the appointment of the Honorary Chairman.

AUDIT COMMITTEE		
Name	Position	Category
MARTA LACAMBRA I PUIG	CHAIRMAN	Independent
ÁLVARO DE LA SERNA CORRAL	MEMBER	Proprietary
MARÍA TERESA BUSTO DEL CASTILLO	MEMBER	Independent

% of Executive Board Members	0.00
% of Proprietary Board Members	33.33
% of Independent Board Members	66.67
% of other non-Executive Board Members	0.00

Explain the functions attributed to this committee and any additional responsibilities provided for by law, and describe the rules and procedures it follows for its organisation and functioning. For each of these functions, briefly describe the most important actions taken during the year and how, in practice, the committee has performed each of the functions attributed to it by law, in the articles of association or other corporate resolutions.

- a. The regulations of the Audit Committee are included in the Articles of Association and in the Company's Board Regulations.
- b. As at 31 December 2023, this Committee is composed of three Board Members, two of whom are independent, and is chaired by an independent Board Member
- c. These Regulations state that "the Audit Committee will be governed by the Board's rules of operation in all matters not provided for in these regulations."
- d. The basic responsibilities assigned to the Audit Committee are as follows:
  - e. Report to the General Meeting on any matters raised by the shareholders regarding its competence and, in particular, on the results of the audit, explaining how it contributed to the integrity of the financial information and the function discharged by the Audit Committee in this process.
  - f. Propose to the Board, for submission to the shareholders at the General Meeting, the appointment, the terms for hiring, scope of the mandate, re-election and, where applicable, the removal or non-renewal of the external auditors or audit firms, taking responsibility for the selection process in accordance with the applicable regulations.
  - g. Oversee the effectiveness of the internal audit, the Company's internal control and risk management systems, including the internal control over financial reporting systems, and discuss with the external auditors or audit firms any significant weaknesses in the internal control system detected in the course of the audit, without compromising their independence.
  - h. Understand and oversee the process of preparing and presenting the regulated financial information. Before the corresponding resolution is passed by the Board, the Audit Committee will report to the Board on the periodic financial information and on other information that the Company must disclose to the markets and its supervisory bodies, submitting recommendations or proposals, where applicable, aimed at safeguarding the integrity of this information.
  - i. Maintain appropriate relationships with the external auditors or audit firms to receive information on any matters that may jeopardise their independence, which will be studied by the Committee, and any other matters related to the process of auditing the financial statements and, where appropriate, the authorisation of services other than those prohibited in accordance with applicable regulations, and any other communications stipulated in the regulations governing financial audits and in technical auditing rules.
  - j. In any case, the Audit Committee must receive written confirmation, on an annual basis, from the external auditors or audit firms of their independence with respect to the Company or any directly or indirectly related companies, and detailed, individualised information on any type of additional services provided and the related fees received from these companies by the external auditors or audit firms or by persons or entities related to them pursuant to that set out in the regulations governing financial audits.
  - k. Issue an annual report, before the auditor's report is issued, expressing an opinion on the independence of the auditors or audit firms. This report must, in all cases, contain the evaluation of the provision of the additional services mentioned in paragraph e) above, considered individually and as a whole, and must contain a reasons assessment of the services rendered in relation to the rules governing independence.
  - l. Establish and monitor a mechanism whereby employees can report, in a confidential or, if appropriate, anonymous manner, any especially significant irregularities within the Company, particularly of a financial and accounting nature.
  - m. Report on related party transactions that must be approved by the shareholders at the General Meeting or the Board, and oversee the internal procedure, if any, established by the Company for those transactions whose approval has been delegated.
  - n. In 2023, the Audit Committee met on nine occasions to address the following matters, among others: monitor the financial statements and management information of the Company and the consolidated Group; review and report to the Board on the periodic public information consisting of the half-yearly and interim reports; analyse and study the financial policy, reporting on it to the Board; examine the communications received through the Whistleblower Channel; examine the internal control for the prevention of criminal risks; issue the report on the functioning and activities of the Committee for 2022; issue the report on the independence of the auditors; examine the Corporate Social Responsibility Report for 2022; report favourably to the Board on the proposal to amend various articles of the Board Regulations; appoint its Chairman; authorise the contracting of services other than financial audit services; approve the update of the Group's Anti-corruption and Anti-bribery Policy; approve the policy and procedure relating to the new internal information and whistleblower protection system; consider the proposal to appoint the new auditor of the Company and its Group for the years ended 31 December 2024, 2025 and 2026 since the term of the current auditing firm is coming to an end.

Identify the board members who are members of the audit committee that have been appointed based on their knowledge of and experience in accounting, auditing or both, and indicate the date on which the chair of this committee was appointed.

Names of Board Members with experience	MARTA LACAMBRA I PUIG / ÁLVARO DE LA SERNA CORRAL / MARÍA TERESA BUSTO DEL CASTILLO
Date of appointment as chair	31/07/2023

C.2.2 Complete the following table with information on the number of female board members on the various board committees over the past four years.

	Number of female Board Members							
	2023		2022		2021		2020	
	Number	%	Number	%	Number	%	Number	%
HUMAN RESOURCES,	1	20.00	2	40.00	1	25.00	1	16.70

APPOINTMENTS AND REMUNERATION COMMITTEE								
AUDIT COMMITTEE	2	66.66	1	33.30	0	0.00	0	0.00

C.2.3 Indicate, as appropriate, whether there are any regulations governing the board committees. If so, indicate where they can be consulted, and whether any amendments have been made during the year. Also, indicate whether an annual report on the activities of each committee has been prepared voluntarily.

The competencies and rules of operation of the Human Resources, Appointments and Remuneration Committee and those of the Audit Committee are governed in the Articles of Association and in the Company's Board Regulations, which are available on the corporate website. During the year, Article 11 on the Audit Committee was amended to include a new section with the aim of including the provision that, for all matters not expressly included in the Board Regulations, the Committee will be governed by the same rules of operation as the Board, thus according it treatment similar to that given to the Human Resources, Appointments and Remuneration Committee in section 6 of Article 12 of these Regulations.

The Audit Committee prepares an Annual Activities Report.

During the year, the working groups set up within the Board met on several occasions: the Energy and Environment Committee, the R&D and Commercial Committee, and the Inorganic Growth Committee.

**D. RELATED PARTY AND INTRA-GROUP TRANSACTIONS**

**D.1.** Explain, if applicable, the procedure and competent bodies for approving related party and intra-group transactions, indicating the company's general internal criteria and rules governing the obligation of board members or shareholders affected to refrain from performing the transactions, and detailing the internal reporting and regular control procedures established by the company in relation to those related party transactions where approval has been delegated by the board of members.

In accordance with that set out in the Company's Board Regulations, the Audit Committee's basic responsibilities include reporting on related party transactions that must be approved by the shareholders at the General Meeting or the Board, and overseeing the internal procedure, if any, established by the Company for those transactions whose approval has been delegated.

To comply with current regulations, in relation to the inclusion of information on related parties in the half-yearly financial report to be sent to the Spanish National Securities Market Commission, the Company asks its Board Members and executives to submit a statement listing all transactions that they and their related parties may have performed with the Company or with any Group company during the reporting period. In addition, the Company performs a second level control to be able to compare these statements and, where appropriate, identify possible discrepancies.

Furthermore, the Company's Internal Code of Conduct establishes that when Persons Subject to the Code have performed on their own account any transaction for the subscription, purchase or sale of Securities Subject to the Code, they must send a notice to the Secretary to the Board detailing these transactions within fifteen days following the end of each calendar month, unless this notice must be sent in advance in accordance with the applicable regulations, with transactions carried out by Related Persons being treated in the same way as transactions performed on their own account, which must be declared.

Accordingly, Chapter IX of the Board Regulations includes the "Duties of Board Members" in matters relating to confidentiality, non-competition, the Company's information not in the public domain or business opportunities, and indicates that these duties will also be considered to be enforceable when the circumstances in each case refer to companies in which the Board Member has a significant ownership interest or to any person related to the Board Member in such a way that it affects their independence or judgement.

**D.2.** Individually list those transactions that are significant due to their amount or importance 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 members, indicating which body was responsible for approving them and whether any shareholder or board member affected had to refrain from performing the transaction. In the event that competence fell to the shareholders at the general meeting, indicate whether the proposed resolution was approved by the board without the majority of independent board members voting against it:

	Name or company name of the shareholder or any of its subsidiaries	% of ownership	Name of the company or subsidiary	Amount (thousands of euros)	Approving body	Name of the significant shareholder or board member that abstained from voting	The proposal to the board, if any, was approved by the board without the majority of independent members voting against it
(1)	JORGE MERCADER MIRÓ	17.70	MIQUEL Y COSTAS & MIQUEL, S.A.	3,157	Board with the ratification at the General Meeting		YES
(2)	INDUMENTA PUERI, S.L.	14.65	MIQUEL Y COSTAS & MIQUEL, S.A.	2,611	Board with the ratification at the General Meeting		YES
(3)	BERNADETTE MIQUEL VACARISAS	12.65	MIQUEL Y COSTAS & MIQUEL, S.A.	2,267	Board with the ratification at the General Meeting		YES
(4)	MARÍA DEL CARMEN ESCASANY MIQUEL	12.62	MIQUEL Y COSTAS & MIQUEL, S.A.	2,261	Board with the ratification at the General Meeting		YES

	Name or company name of the shareholder or any of its subsidiaries	Type of relationship	Type of transaction and other information necessary for its assessment
(1)	JORGE MERCADER MIRÓ	Corporate	Dividends paid
(2)	INDUMENTA PUERI, S.L.	Corporate	Dividends paid
(3)	BERNADETTE MIQUEL VACARISAS	Corporate	Dividends paid
(4)	MARÍA DEL CARMEN ESCASANY MIQUEL	Corporate	Dividends paid

D.3. Individually list the transactions that are significant due to their amount or importance 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 responsible for approving them and whether any shareholder or board member affected had to refrain from performing the transaction. In the event that competence fell to the shareholders at the general meeting, indicate whether the proposed resolution was approved by the board without the majority of independent members voting against it:

	Name of the directors or executives or their controlled or jointly controlled entities	Name of the company or subsidiary	Relationship	Amount (thousands of euros)	Approving body	Name of the significant shareholder or board member that abstained from voting	The proposal to the board, if any, was approved by the board without the majority of independent members voting against it
(1)	ÁLVARO DE LA SERNA CORRAL	MIQUEL Y COSTAS & MIQUEL, S.A.	MEMBER	19	Board with the ratification at the General Meeting		YES
(2)	EUSEBIO DÍAZ-MORERA PUIG-SUREDA	MIQUEL Y COSTAS & MIQUEL, S.A.	MEMBER	52	Board with the ratification at the General Meeting		YES
(3)	JORGE MERCADER BARATA	MIQUEL Y COSTAS & MIQUEL, S.A.	MEMBER	89	Board with the ratification at the General Meeting		YES
(4)	JAVIER BASAÑEZ VILLALUENGA	MIQUEL Y COSTAS & MIQUEL, S.A.	MEMBER	51	Board with the ratification at the General Meeting		YES
(5)	JOSÉ MIQUEL VACARISAS	MIQUEL Y COSTAS & MIQUEL, S.A.	MEMBER	65	Board with the ratification at the General Meeting		YES
(6)	IGNASI NIETO MAGALDI	MIQUEL Y COSTAS & MIQUEL, S.A.	EXECUTIVE	4	Board with the ratification at the General Meeting		YES
(7)	ALFONSO PÉREZ LLORENTE	MIQUEL Y COSTAS & MIQUEL, S.A.	EXECUTIVE	4	Board with the ratification at the General Meeting		YES
(8)	JAVIER GARCÍA BLASCO	MIQUEL Y COSTAS & MIQUEL, S.A.	EXECUTIVE	21	Board with the ratification at the General Meeting		YES
(9)	MARINA JURADO SALVADO	MIQUEL Y COSTAS & MIQUEL, S.A.	EXECUTIVE	25	Board with the ratification at the General Meeting		YES
(10)	JOSÉ MARÍA MASIFERN VALÓN	MIQUEL Y COSTAS & MIQUEL, S.A.	EXECUTIVE	15	Board with the ratification at the General Meeting		YES
(11)	ANTONI ALBAREDA SOTERAS	MIQUEL Y COSTAS & MIQUEL, S.A.	EXECUTIVE	7	Board with the ratification at the General Meeting		YES



	Name of the directors or executives or their controlled or jointly controlled entities	Name of the company or subsidiary	Relationship	Amount (thousands of euros)	Approving body	Name of the significant shareholder or board member that abstained from voting	The proposal to the board, if any, was approved by the board without the majority of independent members voting against it
(12)	JOSEP PAYOLA BASETS	MIQUEL Y COSTAS & MIQUEL, S.A.	EXECUTIVE	20	Board with the ratification at the General Meeting		YES
(13)	OLGA ENCUESTRA CATALÁN	MIQUEL Y COSTAS & MIQUEL, S.A.	EXECUTIVE	9	Board with the ratification at the General Meeting		YES
(14)	JORDI PRAT CANADELL	MIQUEL Y COSTAS & MIQUEL, S.A.	EXECUTIVE	3	Board with the ratification at the General Meeting		YES

	Name of the directors or executives or their controlled or jointly controlled entities	Type of transaction and other information necessary for its assessment
(1)	ÁLVARO DE LA SERNA CORRAL	Dividends paid
(2)	EUSEBIO DÍAZ-MORERA PUIG-SUREDA	Dividends paid
(3)	JORGE MERCADER BARATA	Dividends paid
(4)	JAVIER BASAÑEZ VILLALUENGA	Dividends paid
(5)	JOSÉ MIQUEL VACARISAS	Dividends paid
(6)	IGNASI NIETO MAGALDI	Dividends paid
(7)	ALFONSO PÉREZ LLORENTE	Dividends paid
(8)	JAVIER GARCÍA BLASCO	Dividends paid
(9)	MARINA JURADO SALVADO	Dividends paid
(10)	JOSÉ MARÍA MASIFERN VALÓN	Dividends paid
(11)	ANTONI ALBAREDA SOTERAS	Dividends paid
(12)	JOSEP PAYOLA BASETS	Dividends paid
(13)	OLGA ENCUESTRA CATALÁN	Dividends paid
(14)	JORDI PRAT CANADELL	Dividends paid

**D.4.** Individually list the intra-group transactions that are significant due to their amount or importance carried out by the company with its parent company or with other companies belonging to the parent's group, including the subsidiaries of the listed company, unless no other related party of the listed company has an interest in such subsidiaries or the subsidiaries are wholly owned, directly or indirectly, by the listed company.

In any case, list any intra-group transactions carried out with entities in countries or territories considered to be tax havens:

Name of the group company	Brief description of the transaction and other information necessary for its assessment	Amount (thousands of euros)
No data		

**D.5.** Individually list any transactions that are significant due to their amount or importance carried out by the company or its subsidiaries with other related parties that are considered significant in accordance with International Accounting Standards as adopted by the EU and that have not been reported under the previous headings.

Company name of the related party	Brief description of the transaction and other information necessary for its assessment	Amount (thousands of euros)
No data		

**D.6.** List the mechanisms in place for detecting, identifying and resolving any potential conflicts of interest between the company and/or its group and its board members, executives, significant shareholders or other related parties.

In accordance with the Internal Code of Conduct, the persons to whom it applies are required to inform the Secretary to the Board of any possible conflicts of interest to which they or persons related to them are subject as a result of their family relationships, their personal assets, or for any other reason. If there is any doubt as to where there is a conflict of interest, it must be discussed with the Secretary to the Board before taking any decision that may be affected by this conflict of interest.

Furthermore, the Board Regulations establish that Board Members must consult the Human Resources, Appointments and Remuneration Committee before accepting any executive position in another company or entity that may represent a conflict of interest.

In addition to the above, each year all Board Members, regardless of whether they had already reported the conflict when it arose, issue an express statement regarding the conflicts of interest that relate both to the Board Members themselves personally and to their related parties, whereby this statement is subsequently ratified at a Board meeting, placed on record by the Secretary to the Board in the Company's register of conflicts of interest.

**D.7.** Indicate whether the company is controlled, as defined in section 42 of the Spanish Commercial Code (*Código de Comercio*), by another company, whether listed or not, and has, directly or through its subsidiaries, business relations with this company or any of its subsidiaries (other than those of the listed company) or carries out activities related to those of any of these companies.

Yes

No

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

- E.1.** Explain the scope of the company's risk control and management system for financial and non-financial risks, including tax-related risks.

The Audit Committee, in performing the functions established in the Articles of Association and the Board Regulations, controls business risks, oversees and manages the actions of the Internal Control Service for risks relating to the business in general and, in particular, those relating to information and compliance with the law as regards commercial, criminal and tax matters.

- E.2.** Identify the corporate bodies responsible for developing and implementing the risk control and management system for financial and non-financial risks, including tax risks.

1.- Human Resources, Appointments and Remuneration Committee:

This Committee oversees and controls all matters related to the personnel providing services to the Group: prevention and safety, loyalty, replacement, etc.

2.- Audit Committee:

This Committee examines and oversees the Company's financial reporting process, the internal control systems and the internal control model for criminal risks prevention.

3.- Management Committee:

This Committee oversees the business areas, both production and logistics in general, including the environmental and commercial areas.

4.- Risk Management and Control Committee:

This Committee is responsible for the risk control functions regarding economic-financial, tax, legal and commercial risks, and the risk of claims in terms of prevention and insurance.

5.- Investment and Environment Committee:

This Committee is responsible for monitoring all aspects of investments in tangible assets and the Technical Committee analyses, discusses, proposes and monitors risks and opportunities related to the environment.

6.- Area Committees:

These committees are responsible for enforcing guidelines regarding those matters that are most closely related to the operational and commercial risks of each of the Group's areas.

7.- Compliance Officer:

They are responsible for monitoring, proposing measures, reporting and presenting evidence and, where appropriate, analysing any mitigating actions.

- E.3.** List the main financial and non-financial risks, including tax risks and, to the extent that they are significant, those arising from corruption (understood within the scope of Royal Decree Law 18/2017), which may impact the achievement of the business objectives.

The main risks identified and managed by the Miquel y Costas Group are summarised below:

Macroeconomic:

Commodities and energy

Economic and financial backdrop

Legal and regulatory risks regarding civil, commercial, tax and other matters.

Operations and markets:

Sector concentration

Quality and quality assurance

Research and new products

Facilitation:

Integrity of assets

IT systems

Human resources

Taxation

Criminal risks

Environment and sustainability

- E.4.** Identify whether the company has risk tolerance levels, including tax risks.

The Company considers that it has sufficient capacity and is adequately prepared to withstand and manage the risks identified.

The Board Regulations establish that the Audit Committee is responsible for overseeing the effectiveness of the internal audit, the Company's internal control and risk management systems, in particular the internal control over financial reporting systems, and discussing with the external auditors or audit firms any significant weaknesses in the internal control system detected in the course of the audit, without compromising their independence.

The Board Regulations also stipulate that the Audit Committee, in carrying out the functions attributed to it, will identify the different types of risk faced by the Company, the level of risk that the Company considers acceptable, the measures envisaged to mitigate their impact and the

systems to control and manage these risks, which will be submitted to the Board for approval.

The Audit Committee also submits them to an audit and compares them with the established risk assessment processes, the description of the risks identified with an indication of the tolerance and the assessment of each risk.

**E.5. Indicate any financial and non-financial risks, including tax risks, that have arisen during the year.**

Risks arising during the year Legal. In the second half of 2023, an agreement was reached with the former distributor for the Italian market, Tobacco's Import-Export SPA, to put an end to the lawsuit between the Parent and this distributor, the rulings on which had been favourable to the Group, representing an extraordinary income for the Group during this year.

Risks arising during the year Tax. An appeal for judicial review was filed with the National Appellate Court against the ruling handed down by the Central Economic-Administrative Tribunal dismissing the economic-administrative claim filed against the settlement agreement resulting from the tax audit in relation to corporation tax for 2012 to 2015.

Risks arising during the year: two administrative appeals were filed with the Central Economic-Administrative Tribunal against the settlement agreements of the Spanish Tax Agency in relation to the partial exemption from the electricity tax, with one appeal for 2016 and 2017, and the other for 2018; the Company has made a provisional payment for the assessments included in the above settlement agreements.

Risks arising during the year An appeal for judicial review was filed against the ruling of the Regional Economic-Administrative Tribunal of Catalonia, within the framework of the procedure for requesting a refund for amounts incorrectly paid in relation to the hydrocarbon tax payments for the periods from September 2014 to September 2018, both inclusive.

**E.6. Explain the plans for responding to and monitoring the company's main risks, including tax risks, and the procedures followed by the company to ensure that the board of members responds to any new challenges that may arise.**

The Company monitors all regulations affecting it through its committees, its Management Committee, its internal services and the collaboration of its external advisors. All new regulations that impact the Company's activities are channelled through the areas of responsibility that must be aware of these regulations so as to ensure proper compliance.

In addition, the Board and, where appropriate, its delegate committees, selectively monitor the application of, adaptation to and compliance with these regulations.

As regards taxation, it also stays up to date on any tax regulations through its advisors, analyses economic events so that they are handled by the committees responsible for such events with the greatest guarantees possible, and activates the procedures for taking action when required by the tax authorities.

**F. SYSTEMS OF INTERNAL RISK MANAGEMENT AND INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)**

Describe the mechanisms comprising the risk control and management systems in relation to the company's internal control over financial reporting (ICFR).

**F.1. The company's control environment**

Specify at least the following components with a description of their main characteristics:

F.1.1 The bodies and/or functions responsible for: (i) the existence and maintenance of a suitable and effective ICFR system; (ii) its implementation; and (iii) its oversight.

In accordance with that set out in the Company's Board Regulations, the Audit Committee is responsible for overseeing the effectiveness of the internal audit, and the Company's internal control systems and, in particular, for understanding and overseeing the process of preparing and presenting the regulated financial information. The Committee also carries out internal monitoring activities.

F.1.2 The existence or otherwise of the following components, especially in connection with the financial reporting process:

- The departments and/or mechanisms in charge of: (i) designing and reviewing the organisational structure; (ii) defining clear lines of responsibility and authority, with an appropriate distribution of tasks and functions; and (iii) ensuring procedures are in place to communicate this structure effectively throughout the company:

The Human Resources, Appointments and Remuneration Committee is responsible for determining and reviewing the organisational structure and for submitting and reporting on it to the Board. General Management is responsible, by delegation from the Board, for implementing the resolutions passed by the Board in relation to the Group's organisational structure, definition of responsibilities and assignment of functions.

The Company has documented internal procedures to ensure that the assigned functions are performed correctly.

- Code of conduct, approving body, degree of dissemination and instruction, principles and values covered (stating whether specific reference is made to record keeping and financial reporting), body in charge of investigating breaches and proposing corrective or disciplinary action.

The Company has an Internal Code of Conduct approved by the Board, the purpose of which is to set out the principles and rules of conduct in the securities markets. Personnel subject to this Code are familiar with and understand it and a copy is available on the corporate website and on the CNMV's website.

Since it was initially drafted, this Code has been adapted to any legislative or other amendments required, and its current wording was approved at the Board meeting held on 20 June 2022 and communicated to the CNMV.

In addition, the Company has procedures that establish the guidelines for using and handling sensitive information.

- Whistleblower channel, for reporting to the audit committee any financial or accounting irregularities, and any potential breaches of the code of conduct and irregular activities in the organisation, stating whether reports made through this channel are confidential and whether communications can be sent anonymously, thus respecting the rights of the whistleblower and the reported party.

The Audit Committee has implemented a whistleblower channel through which the Company's personnel can make suggestions or recommendations on any matter relating to the Group, and report compliance irregularities or submit reports of illegal activities or suspected illegal activities. Several actions were carried out in 2023 to bring the Group's whistleblower channel and internal regulations into line with the requirements of current regulations, creating an internal whistleblower information and protection system accessible not only to staff but also to third parties such as suppliers, former employees, family members, investors or customers.

Communications and reports submitted through this channel and for these purposes by staff may, at their choice, be sent either anonymously or with the whistleblower's identification, and will in all circumstances be treated as strictly confidential.

In addition, those persons that are not part of the Company but that have ties to the organisation can also file complaints.

- Training programmes and periodic refresher courses for personnel involved in preparing and reviewing financial information and evaluating the ICFR system, which at least cover accounting standards, auditing, internal control and risk management.

Both the personnel involved in preparing and reviewing the financial information and those responsible for the assessment of internal control systems participate in regular training and refresher programmes on accounting standards, internal control and risk management.

These training plans are mainly carried out by management of the various areas, with the Human Resources Department in charge of supervision and mentoring.

## **F.2. Risk assessment in financial reporting**

Report at least the following:

F.2.1 The main characteristics of the risk identification process, including risks of error or fraud, with respect to:

- Whether the process exists and is documented:

For corporate risk management, the Company has designed a risk map of the most relevant processes in financial reporting. The document is based on the model proposed by the COSO Report and is updated on an ongoing basis as part of the Internal Oversight Plan.

This document establishes, among other aspects, that corporate risk management is a process carried out by the Board and its specialised committees, Management and the rest of the Company's personnel, and that its basic function is to identify and assess potential events that could jeopardise the achievement of the objectives set.

- Whether the process covers all financial reporting objectives (existence and occurrence; completeness; valuation; presentation, disclosure and comparability; and rights and obligations), is updated and with what frequency.

The corporate risk management framework is basically aimed at achieving the Company's objectives from a financial reporting perspective and the ongoing process of assessing these risks includes verifying compliance with the following principles:

- Completeness
- Adequate registration
- Correct assessment
- Appropriate transaction cut-off
- Adequate presentation and classification

- Whether a specific process is in place to define the scope of consolidation, with reference to the possible existence of complex corporate structures, special purpose vehicles, holding companies, etc.

The Economic and Financial Department identifies and modifies, if necessary, the Group's scope of consolidation on an ongoing basis, using multi-departmental sources of information.

- Whether the process addresses other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) insofar as they may affect the financial statements.

To a large extent, the internal control system focuses on assessing the risk of achieving the objectives related to financial reporting. However, the assessment process includes all manner of objectives and regulatory compliance objectives. These operational and regulatory compliance objectives include the assessment of environmental, quality, knowledge, development, industrial/intellectual property and reputational risks.

- Which of the company's governing bodies is responsible for overseeing the process.

The Board is ultimately responsible for overseeing the process, in addition to that carried out by the Audit Committee, which has been delegated, among other functions, the task of periodically monitoring the Company's internal audit, the internal control systems and risk management.

## **F.3. Control activities**

Specify at least the following components with a description of their main characteristics:

F.3.1 Procedures for reviewing and authorising financial information and the description of the ICFR system to be disclosed to the securities markets, indicating those responsible, and documentation describing the flows of activities and controls (including those related to the risk of fraud) for the various types of transactions that may have a material effect on the financial statements, including the accounting close procedure and the specific review of the relevant judgements, estimates, evaluations and projections.

The Audit Committee analyses the interim and half-yearly financial information in accordance with the authority delegated to it by the Board.

Following a report from the Audit Committee, the Board is the body that decides on the terms of the financial information to be disclosed by the Company.

The Accounting and Consolidation Department, together with the Management Control Department, prepares the economic and financial information of all Group companies and manages and oversees the supporting documentation and transactions in accordance with risk prevention processes. This economic and financial information is reviewed and analysed, together with the estimates and valuations made, by the Management Committee and the Risk Management and Control Committee.

General Management submits the economic and financial information for the period to the Board at least on a monthly basis.

**F.3.2 Internal control policies and procedures for IT systems (including secure access, control of changes, system operation, continuity and segregation of duties) giving support to key company processes regarding the preparation and publication of financial information.**

The Company has updated internal policies and procedures that it has disseminated on the operation of the IT systems, secure access, segregation of duties, and on the development or maintenance of computer software.

Access to the IT systems is managed by the IT Systems Department, which has the appropriate human and technical resources to properly manage such access, in accordance with the organisational guidelines established.

As regards the control mechanisms for data recovery and assuring business continuity, the Group has a contingency plan that is reviewed and updated on a regular basis.

Internal control is reviewed on an annual basis by the Group's external auditors, which includes verifying the IT system controls.

**F.3.3 Internal control policies and procedures for overseeing the management of activities outsourced to third parties and of the appraisal, calculation or valuation services commissioned from independent experts, when these may materially affect the financial statements.**

The valuation processes, judgements or calculations to be made for the preparation and publication of the financial statements are carried out by internal services, along with any other processes that may be relevant to prepare this financial information.

Verification, audit and assessment services, among others, affecting the various activities are carried out, depending on their particular characteristics, with the frequency established by external services, such as the Statement of Non-Financial Information and the assessment of the Board, among others, and on industrial activity on specific topics.

**F.4. Information and communication**

Specify at least the following components with a description of their main characteristics:

**F.4.1 A specific function in charge of defining and updating accounting policies (accounting policies area or department) and resolving any doubts or disputes that may arise over their interpretation, which is in regular communication with the team in charge of operations; and a manual of accounting policies regularly updated and communicated to all the company's operating units.**

The Accounting Department and the Management Control Department are responsible for establishing and keeping up to date the accounting policies applicable to the Group, and for keeping the heads of the different areas involved informed and resolving any questions or differences as to their interpretation.

The accounting policies applied are based on the regulatory framework established in the Commercial Code, the General Accounting Plan in force and other commercial law, International Financial Reporting Standards, EU Directives transposed into Spanish law, and the various types of related regulations adopted by the European Union.

**F.4.2 Mechanisms for gathering and preparing financial information in standard format that are applicable to and to be used by all units of the company or the group, and that support the main financial statements and accompanying notes, and the disclosures concerning ICFR.**

The Group's IT systems are mostly supported by an integrated corporate application (ERP) that allows the various areas to be managed in a centralised and coordinated manner, such as production, sales, purchasing, logistics, inventories and warehouse control, accounting, payroll, etc., and that makes the processes more reliable and provides a suitable degree of security regarding the integrity, reliability and uniformity of the financial information obtained.

The subsidiaries that form part of the Group's scope of consolidation in Spain follow a single, unified chart of accounts. The information is processed by the integrated management system, which allows the financial information to be automatically gathered and prepared by the Corporate Accounting Department. The companies not included in this computer system and certain foreign companies ensure maximum uniformity and the Group has also implemented control measures to ensure that the financial data collected by these companies are complete, accurate and provided in a timely manner.



## **F.5. Monitoring**

Specify at least the following components with a description of their main characteristics:

- F.5.1 The ICFR monitoring activities undertaken by the audit committee and whether the company has an internal audit function whose competencies include supporting the audit committee in its role of monitoring the internal control system, including ICFR. Describe the scope of the ICFR assessment conducted in the year and the procedure for the person in charge to communicate its findings. State also whether the company has an action plan specifying corrective measures for any flaws detected, and whether it has taken stock of their potential impact on its financial information.

The Audit Committee's functions include carrying out an assessment to ensure that the Company's processes and risk management and internal control systems, including the ICFR system, are correctly designed, implemented and functioning effectively.

The Committee also approves and regularly monitors the annual work plan. At its meetings, it analyses the assessments and recommendations issued by the control service and, where applicable, proposes corrective measures and evaluates the effects of those implemented.

- F.5.2 A discussion procedure whereby the auditor (pursuant to TAS), the internal audit function and other experts can report any significant internal control weaknesses encountered during their review of the financial statements or other assignments, to the company's senior executives and its audit committee or board of members. State also whether the company has an action plan to correct or mitigate the weaknesses identified.

The Audit Committee communicates regularly with the statutory auditor and the internal oversight services. The Committee is the body that keeps the Board informed of the matters handled and the actions taken.

At the Committee's meetings with the auditor, the latter informs the Committee of the work programme and their findings in relation to the internal control performed during the review of the financial statements.

The Committee monitors the activity carried out and compliance with agreed action plans to mitigate any control weaknesses.

The Economic and Financial Department communicates regularly with the auditor to discuss the actions taken to avoid or correct any weaknesses observed.

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

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

Report on:

- F.7.1 Whether the ICFR information supplied to the markets has been reviewed by the external auditor, in which case the corresponding report should be attached. Otherwise, explain the reasons for the absence of this review.

The Company considers that the systems in place provide sufficient guarantees as to the quality of its financial information and reports this in all communications where appropriate.

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

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Indicate the company's degree of compliance with the recommendations of the code of good governance for listed companies.

Should the company not comply with any of the recommendations or comply only in part, include a detailed explanation of the reasons so that shareholders, investors and the market in general have enough information to assess the company's behaviour. General explanations are not acceptable.

1. The articles of association of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.

Compliant [ X ]      Explain [ ]

2. When the listed company is controlled, as defined in section 42 of the Commercial Code, by another company, whether listed or not, and has, directly or through its subsidiaries, business relations with this company or any of its subsidiaries (other than those of the listed company) or carries out activities related to those of any of these companies, it should publicly disclose the following in a precise manner:

- a) The type of activity they engage in and any business dealings between the listed company and its subsidiaries and also by the parent company and its subsidiaries.
- b) The mechanisms in place to resolve possible conflicts of interest.

Compliant [ ]      Partially compliant [ ]      Explain [ ]      Not applicable [ X ]

3. During the annual general meeting, the chair of the board should verbally inform shareholders in sufficient detail of the most relevant aspects of the company's corporate governance, supplementing the written information circulated in the annual corporate governance report. In particular:

- a) Changes taken place since the previous annual general meeting.
- b) The specific reasons why the company does not follow certain recommendations of the Corporate Governance Code and the alternative rules applied in this connection, should any exist.

Compliant [ X ]      Partially compliant [ ]      Explain [ ]

4. The company should draw up and implement a policy of communication and contact with shareholders and institutional investors in the context of their involvement in the company, and with proxy advisors that complies in full with market abuse regulations and accords equitable treatment to shareholders in the same position. This policy should be published on the company's website, complete with details of how it has been put into practice and the identities of the relevant contacts or those charged with its implementation.

Without prejudice to the legal obligations regarding the dissemination of inside information and other types of regulated information, the Company should also have a general policy regarding the communication of financial, non-financial and corporate information through the channels it considers appropriate (media, social networks or other channels) that contributes to maximising the dissemination and quality of the information available to the market, investors and other stakeholders.

Compliant [ ]      Partially compliant [ X ]      Explain [ ]

The Company has established rules of conduct in relation to the communication policy that respect the current law and treat those receiving the information appropriately. These rules are set out in various regulatory texts that are published on the corporate website.

Information is disseminated through the means of communication using an external agency. Before being disseminated through this channel, the information to be made available to the market, investors and other stakeholders is carefully reviewed internally by the Company to ensure that it is clear and truthful.

In addition, the Company holds meetings with agents who request them for the purpose of clarifying and explaining the information disclosed through the different channels, and has a single centralised internal spokesperson who manages communications with financial analysts, investors and other stakeholders.

5. The board of members should not put forward a proposal to the general meeting for the delegation of powers to issue shares or convertible securities without pre-emption rights for an amount exceeding 20% of the share capital at the time of the delegation.

And when a board approves the issuance of shares or convertible securities without pre-emption rights, the company should immediately post a report on its website explaining the exclusion as envisaged in commercial law.

Compliant [ X ]      Partially compliant [ ]      Explain [ ]

6. Listed companies drawing up the following reports on a voluntary or compulsory basis should publish them on their website well in advance of the annual general meeting, even if their distribution is not obligatory:

- a) Report on the auditor's independence.
- b) Reports on the functioning of the audit committee and the appointments and remuneration committee.
- c) Audit committee report on related party transactions.

Compliant [ ]      Partially compliant [ ]      Explain [ X ]

The Company draws up most of the reports listed in this Recommendation on an annual basis.

7. The company should broadcast its general meetings live on the corporate website.

And the company should have mechanisms in place that allow proxies to be appointed and votes to be cast by remote means and even, in the case of large cap companies and to the extent proportionate, attendance and active participation in the general meeting.

Compliant [  ]      Partially compliant [  ]      Explain [  ]

The Company does not currently consider it necessary to broadcast the general meetings live on its website due to the complexity and the resources necessary to do so.

The Company's General Meeting Regulations establish that when it is decided that the General Meetings may be attended by remote means in accordance with the law, the Board will:

1. Mediate the appropriate procedures so that the Company and those attending the meeting may make use of all electronic means available that facilitate their communication and effective participation (to exercise their rights both before the meeting and in real time and to follow along when other attendees take the floor), whereby these means must in all cases guarantee the identity and accreditation of the shareholders and their representatives.
2. Provide, where applicable, information on the systems that allow the General Meeting to be followed or attended remotely through the electronic means established, and any other information considered appropriate and useful for shareholders for these purposes.
3. Identify all the necessary details to allow for the orderly conduct of the meeting, within the framework provided for by law.

In any case, the Company's prefers to hold General Meetings in person, as it considers this to be the best method of participation for those attending.

8. The audit committee should ensure that the financial statements submitted by the board of members at the annual general meeting are prepared in accordance with accounting regulations. And in those cases where the auditor has included a qualification in their auditor's report, the chair of the audit committee should clearly explain the audit committee's opinion on its content and scope at the general meeting, making a summary of this opinion, along with any other proposals and reports of the board, available to shareholders when the call notice for the meeting is published.

Compliant [  ]      Partially compliant [  ]      Explain [  ]

9. The company should disclose its requirements and procedures for admitting share ownership, the right to attend general meetings and the exercise or delegation of voting rights, and display them permanently on its website.

These requirements and procedures should encourage shareholders to attend and exercise their rights and be applied in a non-discriminatory manner.

Compliant [  ]      Partially compliant [  ]      Explain [  ]

10. When an accredited shareholder exercises the right to supplement the agenda or submit new proposals prior to the general meeting, the company should:

- a) Immediately circulate the supplementary items and new proposals.
- b) Publish the attendance card template or proxy appointment or remote voting form with the necessary changes so that they can vote on the new items on the agenda and alternative resolutions proposed under the same terms as those proposed by the board of members.
- c) Put all these items or alternative proposals to a vote applying the same voting rules as for those submitted by the board of members, with particular regard to presumptions or deductions about the direction of votes.
- d) After the general meeting, disclose the breakdown of votes on these supplementary items or alternative proposals.

Compliant [ ]      Partially compliant [ ]      Explain [ ]      Not applicable [ X ]

11. If the company plans to pay per diems for attendance at the general meeting, it should first establish a general, long-term policy regarding such per diems.

Compliant [ ]      Partially compliant [ ]      Explain [ ]      Not applicable [ X ]

12. The board of members should perform its duties with unity of purpose and independent judgement, according the same treatment to all shareholders in the same position. It should be guided at all times by the company's best interest, understood as the creation of a profitable business that promotes its sustainable success over time, while maximising its economic value.

In pursuing the corporate interest, it should not only abide by laws and regulations and conduct itself according to principles of good faith, ethics and respect for commonly accepted customs and good practices, but also strive to reconcile its own interests with the legitimate interests of its employees, suppliers, customers and other stakeholders that may be affected, and with the impact of its activities on the broader community and the natural environment.

Compliant [ X ]      Partially compliant [ ]      Explain [ ]

13. The board of members should have an optimal size to promote its efficient functioning and maximise participation. The recommended range is accordingly between five and fifteen members.

Compliant [ X ]      Explain [ ]

14. The board of members should approve a selection policy aimed at promoting an appropriate composition of the board and that:
- Is specific and verifiable.
  - Ensures that appointment or re-election proposals are based on prior analysis of the board's required competencies.
  - Favours diversity of knowledge, experience, age and gender. For this purpose, measures that encourage the company to have a significant number of female senior executives are considered to favour gender diversity.

The results of the prior analysis of the board's required competencies should be written up in the appointments committee's explanatory report that is published when the general meeting is convened that will ratify the appointment and re-election of each board member.

The appointments committee should annually verify compliance with this policy and set out its findings in the annual corporate governance report.

Compliant [  ]      Partially compliant [  ]      Explain [  ]

The Board's diversity policy implemented by the Company complies with the requirements set out in a) b) and c) above.

The selection process is aimed at ensuring that Board members have the necessary experience and knowledge to fulfil their duties and responsibilities and that they bring the appropriate expertise to cover the various committees set up by the Board.

This selection process must comply with the Company's pillars at all times and, therefore, avoid any type of discrimination based on age or gender during the process; compliance with this is verified and ratified by the Human Resources, Appointments and Remuneration Committee.

15. Proprietary and independent board members should constitute an ample majority on the board of members, while the number of executive members should be the minimum necessary, bearing in mind the complexity of the corporate group and the ownership interests they control.

And the number of female members should account for at least 40% of the board members by the end of 2022 and subsequent years, and not be less than 30% prior to that date.

Compliant [  ]      Partially compliant [  ]      Explain [  ]

The Company complies with the first part of the recommendation since the number of executive Board Members, currently one, constitutes the minimum number of Members. It should be noted that the number of Members in this category has been reduced from two to one.

There are three Proprietary Board Members and four Independent Board Members, which therefore constitute a large majority on the Board.

The Board currently has two female members, representing 20% of the Board members. It should be noted that one of the members who joined the Board in 2023 was a woman, in accordance with the target set by the Company for the number of female members to represent at least 40% of the total number of Members in line with current law. To achieve this objective, the Human Resources, Appointments and Remuneration Committee must ensure that the selection processes do not entail any implicit biases that could imply any type of discrimination based on gender, among other reasons, so that when there are vacancies to be filled, at least one woman with the professional profile sought will be included among the potential candidates for Board Members, without prejudice to the essential criteria of merit and ability that must govern these processes.

16. The percentage of proprietary board members out of all non-executive board members should be no greater than the proportion of the capital represented on the board by these members to the remainder of the company's capital.

This criterion may be relaxed:

- In large cap companies where few shareholdings attain the legal threshold to be considered significant.
- In companies with a plurality of shareholders represented on the board but not otherwise related.

Compliant  Explain

17. The number of independent board members should represent at least half of all board members.

However, when the company does not have a large market capitalisation, or when a large cap company has a shareholder or multiple shareholders acting in concert controlling over 30% of the share capital, independent board members should represent at least one third of the total number of members.

Compliant  Explain

18. Companies should post the following board member particulars on their websites, and keep them permanently updated:

- a) Professional experience and background.
- b) Memberships held in other companies, listed or otherwise, and other paid activities they engage in, of whatever nature.
- c) An indication of the member category to which they belong, in the case of proprietary member indicating the shareholder they represent or with which the board member has ties.
- d) The date of their first appointments as a company member, and subsequent re-elections.
- e) Shares held in the company and any options on these shares.

Compliant  Partially compliant  Explain

19. Following verification by the appointments committee, the annual corporate governance report should disclose the reasons for the appointment of proprietary board members at the request of shareholders controlling less than 3% of share capital and explain any rejection of a formal request for a place on the board from shareholders whose ownership interest is equal to or greater than that of others applying successfully for a proprietary membership.

Compliant  Partially compliant  Explain  Not applicable

20. Proprietary board members should resign when the shareholders they represent dispose of their ownership interest in its entirety. If the shareholders reduce their ownership interest, and therefore lose some of their entitlement to proprietary members, the number of proprietary members should be reduced accordingly.

Compliant  Partially compliant  Explain  Not applicable

21. The board of members should not propose the removal of independent board members before the end of their term as indicated in the articles of association, unless the board considers there is just cause to do so, subject to a report by the appointments committee. Just cause will be presumed when members take up new posts or responsibilities that prevent them from allocating sufficient time to discharge the duties of members or are in breach of their fiduciary duties or come under one of the disqualifying grounds for classification as independent, in accordance with that established in applicable law.

The removal of independent board members may also be proposed when a takeover bid, merger or similar corporate transaction alters the company's capital structure, provided the changes in board membership ensue from the proportionality criterion set out in recommendation 16.

Compliant  Explain

22. Companies should establish rules obliging board members to inform the board and, where appropriate, resign when situations affecting them arise, whether or not related to their performance in the company itself, which could damage the credibility and reputation of the company. In particular, they should be obliged to inform the board of members of any criminal charges brought against them and the progress of any proceedings.

And, having been informed or having otherwise become aware of any of the situations mentioned in the previous paragraph, the board should examine the case as soon as possible and, in view of the specific circumstances, decide, following a report from the appointments and remuneration committee, whether or not to adopt any measure, such as opening an internal investigation, requesting the resignation of the member or proposing their removal. And this should be disclosed in the annual corporate governance report, unless there are special circumstances that justify it, which should be recorded in the minutes. This is without prejudice to the information that the company must disclose, if appropriate, when the corresponding measures are adopted.

Compliant  Partially compliant  Explain

23. All board members should express clear opposition when they feel a proposal submitted for the board's approval might damage the corporate interest. In particular, independent and other members unaffected by the conflict of interest should challenge any decision that could go against the interests of shareholders lacking board representation.

When the board makes material or reiterated decisions about which a member has expressed serious reservations, then they must draw the pertinent conclusions. Board members resigning for such causes should set out their reasons in the letter referred to in the next recommendation.

The terms of this recommendation also apply to the secretary to the board, even if they are not a member.

Compliant  Partially compliant  Explain  Not applicable

24. When, either by resignation or by resolution of the general meeting, a board member leaves office before the end of their term, they should give sufficient explanation of the reasons for their resignation or, in the case of non-executive members, their opinion on the reasons for the removal by the shareholders at the meeting, in a letter to be sent to all board members.

And, without prejudice to the disclosure of all of the above in the annual corporate governance report, to the extent that 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 member.

Compliant  Partially compliant  Explain  Not applicable



25. The appointments committee should ensure that non-executive board members have sufficient time available to discharge their responsibilities effectively.

And the board regulations should establish the maximum number of company boards on which members may serve.

Compliant  Partially compliant  Explain

26. The board should meet with the frequency necessary to properly perform its functions, at least eight times a year, in accordance with a schedule of dates and agendas set at the beginning of the year, to which each member may propose the addition of initially unscheduled items to the agenda.

Compliant  Partially compliant  Explain

27. Board member absences should be kept to a strict minimum and quantified in the annual corporate governance report. In the event of absence, members should delegate their powers of representation with the appropriate instructions.

Compliant  Partially compliant  Explain

28. When board members or the secretary express concerns about some proposal or, in the case of members, 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.

Compliant  Partially compliant  Explain  Not applicable

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

Compliant  Partially compliant  Explain

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

Compliant  Partially compliant  Explain

31. The agendas of board meetings should clearly indicate the items on which the board of members must adopt a decision or pass a resolution, so they can study the matter beforehand or gather together the material they need.

For reasons of urgency, the chair may wish to submit 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 of the majority of members present, which will be duly recorded in the minutes.

Compliant  Partially compliant  Explain

32. Board members should be regularly informed of changes in the shareholder structure and the views of significant shareholders, investors and credit rating agencies on the company and its group.

Compliant  Partially compliant  Explain

33. The chair, as the person responsible for the efficient functioning of the board of members, in addition to exercising 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; organise and coordinate regular assessments of the board and, where appropriate, the company's chief executive; 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 member, when circumstances so advise.

Compliant  Partially compliant  Explain

34. When a lead board member has been appointed, the articles of association or board regulations should grant them the following powers in addition to those conferred by law: chair the board of members in the absence of the chair or deputy chair, if any; give voice to the concerns of non-executive members; maintain contacts with investors and shareholders to hear their views and develop an understanding of their concerns, especially those in relation to the company's corporate governance; and coordinate the succession plan for the chair.

Compliant  Partially compliant  Explain  Not applicable

The powers granted to the Company's lead Board Member are those provided for in current law.

35. The board secretary should strive to ensure specifically that the board's actions and decisions are informed by the governance recommendations of the code of good governance as may be applicable to the company.

Compliant  Explain

36. The board in plenary session should conduct an annual assessment, adopting, where necessary, an action plan to correct weakness detected in:

- a) The quality and efficiency of the functioning of the board.
- b) The functioning and composition of its committees.
- c) The diversity of board membership and competences.

- d) The performance of the chair of the board of members and the company's chief executive.
- e) The performance and contribution of each member, with particular attention to the chairs of the various board committees.

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

Every three years, the board of members should engage an external consultant to aid in the evaluation process. This consultant's independence should be verified by the appointments committee.

Any business dealings that the consultant or any company of its group has with the company or any company of its 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.

Compliant  Partially compliant  Explain

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

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, and all board members should receive a copy of the executive committee's minutes.

Compliant  Partially compliant  Explain  Not applicable

39. The members of the audit committee as a whole, and particularly its chair, should be appointed taking into account their knowledge and experience in accounting, auditing and risk management, for financial and non-financial risks.

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 chair or the chair of the audit committee.

Compliant [  ]

Partially compliant [  ]

Explain [  ]

The Company's organic structure offers guarantees to ensure the oversight of the IT systems and internal control and is supplemented by the ICFR and Criminal Risk Prevention Control Service, which monitors these IT systems and internal control and reports directly to the Audit Committee.

41. The head of the unit in charge of the internal audit function should present the annual work plan to the audit committee for approval by the committee or the board, report directly to it on its execution, including any incidents and limitations in terms of its scope that may arise during its implementation, the results and follow-up of its recommendations, and submit an activities report at the end of each year.

Compliant [  ]

Partially compliant [  ]

Explain [  ]

Not applicable [  ]

The ICFR and Criminal Risk Prevention Control Service, established in accordance with the organisational size of the Company, is included in recommendation 40 and, its control function submits its annual work plan to the Audit Committee for approval, reports on the execution of the plan, including incidents and limitations in carrying out the plan, the results and the follow-up of its recommendations; it submits an activities report for its consideration on a half-yearly basis.

42. In addition to those provided for by law, the audit committee should have the following functions:

1. In relation to internal control and reporting systems:
  - a) Oversee and assess the process of drafting and the integrity of financial and non-financial information, and the systems for controlling and managing financial and non-financial risks related to the company and, if applicable, to the group — including operational, technological, legal, social, environmental, political, reputational and corruption-related risks — reviewing compliance with regulatory requirements, the appropriate demarcation of the scope of consolidation and the correct application of accounting policies.
  - b) Ensure the independence of the unit that assumes the internal audit function; propose the selection, appointment and removal of the head of the internal audit service; propose the service's budget; approve or propose the approval to board of the guidelines and annual work plan of the internal audit service, ensuring that it focuses primarily on the main risks (including reputational risk); receive regular information on its activities; and verify that senior executives are taking into account the conclusions and recommendations of its reports.
  - c) Establish and oversee a mechanism that allows employees and other persons related to the company, such as board members, shareholders, suppliers, contractors or subcontractors, to report potentially significant irregularities, including financial and accounting issues, or any other type of irregularities, related to the company that they notice within the company or its group. This mechanism must guarantee confidentiality and, in any event, provide for cases in which communications can be made anonymously, thus respecting the rights of the whistleblower and the reported party.
  - d) Ensure in general that the policies and systems established as regards internal control are effectively applied in practice.
2. In relation 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 their quality or independence.
  - c) Ensure that the company reports any change in the external auditor to the CNMV, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons behind them.
  - d) Ensure that the external auditor has a yearly meeting with the board in plenary session 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.

Compliant  Partially compliant  Explain

43. The audit committee may call on any company employee or manager to be present at its meeting, even ordering their presence without another senior executive.

Compliant  Partially compliant  Explain

44. The audit committee should be informed of any structural changes or corporate transactions the company is planning, so that the committee can analyse the transaction and report to the board

beforehand on its economic terms and accounting impact and, when applicable, the exchange ratio proposed.

Compliant  Partially compliant  Explain  Not applicable

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

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

Compliant  Partially compliant  Explain

46. Companies should establish an internal risk control and management function, performed by one of the company's internal units or departments, and under the direct supervision of the audit committee or, where applicable, some other dedicated board 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 to which the company is exposed 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 defined by the board of members.

Compliant  Partially compliant  Explain

47. Appointees of the appointments and remuneration committee — or of the appointments committee and the remuneration committee, if they are separate — should have the right balance of knowledge, skills and experience for the functions they are called on to discharge and the majority of their members should be independent members.

Compliant  Partially compliant  Explain

48. Large cap companies should have a separate appointments committee and remuneration committee.

Compliant  Explain  Not applicable

49. The appointments committee should consult with the company's chair and chief executive, especially on matters relating to executive members.

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

Compliant  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 the standard conditions for senior executive contracts.
- b) Monitor compliance with the remuneration policy set by the company.
- c) Periodically review the remuneration policy for board members and senior executives, including share-based remuneration schemes and their application, and ensure that their individual compensation is proportionate to the amounts paid to other members and senior executives in the company.
- d) Ensure that conflicts of interest do not undermine the independence of any external advice the committee engages.
- e) Verify the information on the remuneration of the board members and senior executives contained in the various corporate documents, including the annual directors' remuneration report.

Compliant  Partially compliant  Explain

51. The remuneration committee should consult with the company's chair and chief executive, especially on matters relating to executive board members and senior executives.

Compliant  Partially compliant  Explain

52. The rules governing the composition and functioning of supervision and control committees should be set out in the board regulations and should be consistent with those governing legally mandatory board committees as specified in the previous recommendations. They should include at least the following terms:

- a) Committees should be formed exclusively by non-executive board members, with a majority of independent members.
- b) Committees should be chaired by an independent member.
- c) The board should appoint the members of such committees having regard to the knowledge, skills and experience of its members and remit of each committee and discuss their proposals and reports; and the committees should report the business transacted and account for the work performed at the first plenary session of the board following each committee meeting.
- d) Committees may engage external advisors, when they feel this is necessary for the discharge of their duties.
- e) Meetings should be recorded in minutes and a copy made available to all board members.

Compliant  Partially compliant  Explain  Not applicable

53. The task of overseeing compliance with the company's environmental, social and corporate governance policies and rules, and its internal codes of conduct, should be assigned to one or more board committees, 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 members has decided to create in exercising its powers of self-organisation. And this committee should be composed solely of non-executive members, the majority of whom should be independent and specifically assigned the minimum functions indicated in the following recommendation.

Compliant [ X ]      Partially compliant [ ]      Explain [ ]

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

- a) Monitor compliance with corporate governance rules and the company's internal codes of conduct, ensuring that the corporate culture is in line with its purpose and values.
- b) Supervise the application of the general policy relating to the communication of economic-financial, non-financial and corporate information, and communication with shareholders and investors, proxy advisors and other stakeholders. It will also oversee the way in which the company communicates and relates to small- and medium-sized shareholders.
- c) Regularly evaluate and review the company's corporate governance system and its policy on environmental and social matters to ensure that it fulfils its mission of promoting the corporate interest and takes into account, as appropriate, the legitimate interests of other stakeholders.
- d) Ensure that the company's environmental and social practices are in line with the strategy and policy established.
- e) Monitor and evaluate the company's interaction with its stakeholders.

Compliant [ X ]      Partially compliant [ ]      Explain [ ]

55. The sustainability policies regarding environmental and social matters should identify and include at least:

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

Compliant [ X ]      Partially compliant [ ]      Explain [ ]

56. Board members 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 members.

Compliant [ X ]      Explain [ ]



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

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

Compliant [ X ]      Partially compliant [ ]      Explain [ ]

58. In the case of variable remuneration, remuneration policies should include limits and technical safeguards to ensure such remuneration reflects the professional performance of the beneficiaries and not simply the general performance of the markets or the company's sector or other similar circumstances.

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

- a) Be subject to predetermined and measurable performance criteria that factor in 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 their contribution to long-term value creation. This will ensure that performance measurement is not based solely on one-off, occasional or extraordinary events.

Compliant [ X ]      Partially compliant [ ]      Explain [ ]      Not applicable [ ]

59. The payment of the variable components of remuneration should be subject to sufficient verification that the performance or other conditions previously established have been effectively fulfilled. Companies must include in the annual board members' 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, companies should consider establishing a malus clause based on the deferral for a sufficient period of time of the payment of a portion of the variable components, entailing 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.

Compliant [ X ]      Partially compliant [ ]      Explain [ ]      Not applicable [ ]

60. In the case of remuneration linked to company earnings, deductions should be computed for any qualifications stated in the external auditor's report.

Compliant  Partially compliant  Explain  Not applicable

61. A major part of executive board members' variable remuneration should be linked to the award of shares or financial instruments whose value is linked to the share price.

Compliant  Partially compliant  Explain  Not applicable

62. Once the shares, options or financial instruments corresponding to the remuneration schemes have been assigned, executive board members should not be able to transfer their ownership or exercise these options until a period of at least three years has elapsed.

An exception is made in the case where the member has, at the time of the transfer or exercise, a net economic exposure to the change in the share price for 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.

This will not apply to shares that the board member needs to dispose of to meet the costs related to their acquisition or, subject to the favourable opinion of the appointments and remuneration committee, to handle extraordinary situations when necessary.

Compliant  Partially compliant  Explain  Not applicable

The Company has only assigned stock options. These stock options are personal and non-transferable and may not be disposed of. The options assigned must be held until the end of the 5-year vesting period. The shares can only be disposed of freely once they have been acquired.

The Company is considering making adaptations in the regulations of the instrument that are decided at any given time, where the requirements set out in the second part of the recommendation are included.

63. Contractual arrangements should include a clause that allows the company to reclaim variable components of remuneration when payment is not in accordance with the director's actual performance or based on data subsequently found to be inaccurate.

Compliant  Partially compliant  Explain  Not applicable

64. Payments due to termination of the contract should not exceed an amount equivalent to two years of the total annual remuneration and should not be paid until the company has been able to verify that the board member has complied with the criteria or conditions established to receive payment.

Regarding this recommendation, payments due to contractual termination will include any payments that are accrued or where the payment obligation arises as a result of, or in connection with, the termination of the contractual relationship between the board member and the company, including amounts not previously vested from long-term savings schemes and amounts paid under post-contractual non-competition agreements.

Compliant  [ X ]

Partially compliant  [ ]

Explain  [ ]

Not applicable  [ ]

**H. OTHER INFORMATION OF INTEREST**

1. If there is any material aspect of corporate governance at the company or the group companies that has not been dealt with in the other sections of this report, and that it is necessary to include to provide the most complete and reasoned information on corporate governance structure and practices at the company or its group, provide a brief description.
2. This section may also include any other information, clarification or qualification relating to the previous sections of the report, provided this additional information is relevant and not repetitive.

In particular, indicate whether the company is subject to any laws other than Spanish law on corporate governance, and if so, include the information that it is required to provide, where such information differs from that required in this report.

3. Also state whether the company voluntarily adheres to other international, industry-specific or other ethical principles or good practices. If applicable, identify the code and date of adoption. In particular, indicate whether the company adheres to the Code of Best Tax Practices of 20 July 2010:

A.2

The figures that are presented relate to those reported by the holder to the CNMV and to the Company and, where applicable, after adjusted for any corporate transactions performed. Therefore, the reported values may not accurately reflect the reality of the shareholding.

It should also be noted that the information that has been provided to the Company by an indirect holder is reported if it includes information of direct holders.

In accordance with the instructions for completing this report, only direct holders exceeding 3% of the total voting rights (1% if they are a resident in a tax haven) are identified, so there may be discrepancies between the total indirect shareholdings and the sum of the corresponding direct shareholdings reported.

A.3

It is placed on record that, although the holder of the significant ownership interest is M<sup>a</sup> del Carmen Escasany Miquel, in 2023 the Board Member, Mr. Álvaro de la Serna Corral exercised decision-making power over ENKIDU INVERSIONES, S.L., and over the transactions involving the shares of María del Carmen Escasany Miquel.

It is also placed on record that, although the holder of the significant ownership interest is Bernadette Miquel Vacarisas, the Board Member, Mr. José Miquel Vacarisas is also a Board Member of JOANFRA, S.A., and has been granted full powers to act in AGRICOLA DEL SUDESTE ALMERIENSE, S.A.

H

The full texts mentioned in this Report referring to the Company's regulations and the rest of the information published by Miquel y Costas & Miquel, S.A. in Spain are available on the Company's corporate website ([www.miquelycostas.com](http://www.miquelycostas.com)) and on the website of the Spanish National Securities Market Commission ([www.cnmv.es](http://www.cnmv.es)).

The Company adheres to the Code of Best Tax Practices of 20 July 2010.

This annual corporate governance report was approved by the company's board of members at its meeting held on:

25/03/2024

Indicate whether any board members voted against or abstained in relation to the approval of this report.

Yes

No