
ISSUER'S PARTICULARS

Reporting date:

31/12/2024

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	
Mr. JORGE MERCADER MIRÓ	1,60	16,49	0,00	0,00	18,09
INSINGER DE BEAUFORT ASSET MANAGEMENT N.V.	0,00	4,39	0,00	0,00	4,39
JOANFRA, S.A.	7,03	0,00	0,00	0,00	7,03
AGRÍCOLA DEL SUDESTE ALMERIENSE S.A.	5,33	0,00	0,00	0,00	5,33
INDUMENTA PUERI, S.L.	0,00	14,65	0,00	0,00	14,65
Mr. ÁLVARO DE LA SERNA CORRAL	0,10	9,00	0,00	0,00	9,10
Mr. ALVARO GUZMAN DE LAZARO MATEOS	0,00	3,18	0,00	0,00	3,18

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.	INSTITUCIONES DE INVERSIÓN COLECTIVA	4,39	0,00	4,39
Mr. JORGE MERCADER MIRÓ	HACIA, S.A.	16,49	0,00	16,49
INDUMENTA PUERI, S.L.	GLOBAL PORTFOLIO INVESTMENTS S.L.	14,65	0,00	14,65
Mr. ALVARO GUZMAN DE LAZARO MATEOS	AZVALOR ASSET MANAGEMENT SGII SA	3,18	0,00	3,18
Mr. ÁLVARO DE LA SERNA CORRAL	ENKIDU INVERSIONES, S.L.	9,00	0,00	9,00

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

Most significant changes

The significant shareholding of Ms. María del Carmen Escasany is cancelled due to her decease.

The shareholding of Mr. Álvaro de la Serna, who now controls ENKIDU INVERSIONES S.L., is modified to 9.10%.

The indirect shareholding of Bernadette Miquel Vacarisas in JOANFRA S.A. and AGRICOLA DEL SUDESTE ALMERIENSE S.A. is removed due to the reorganisation of the indirect shareholdings.

JOANFRA S.A.'s direct shareholding of 7.03%, the former indirect shareholding of Ms. Bernadette Miquel Vacarisas, has been added.

The direct shareholding of AGRICOLA DEL SUDESTE ALMERIENSE S.A., of 5.33%, former indirect shareholding of Ms. Bernadette Miquel Vacarisas, is registered.

The indirect shareholding of Mr. Álvaro Guzman de Lázaro of 3.18% is notified.

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
Mr. JORGE MERCADER BARATA	0,83	0,00	0,00	0,00	0,83	0,00	0,00
Mr. JAVIER BASAÑEZ VILLALUENGA	0,32	0,00	0,00	0,00	0,32	0,00	0,00
Mr. EUSEBIO DÍAZ-MORERA PUIG-SUREDA	0,25	0,04	0,00	0,00	0,29	0,00	0,00
Mr. JOSÉ MIQUEL VACARISAS	0,37	0,00	0,00	0,00	0,37	0,00	0,00

% of total voting rights held by board members	3,47
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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
Mr. EUSEBIO DÍAZ-MORERA PUIG-SUREDA	Mrs. MARTA VENTÓS OMEDES	0,04	0,00	0,04	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	29,00
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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
Mr. JOSÉ MIQUEL VACARISAS	JOANFRA, S.A.	JOANFRA, S.A.	Mr. José Miquel Vacarisas is Director of Joanfra S.A. Classified as a Proprietary Director representing the significant shareholder.
Mr. JOSÉ MIQUEL VACARISAS	AGRÍCOLA DEL SUDESTE ALMERIENSE S.A.	AGRÍCOLA DEL SUDESTE ALMERIENSE S.A.	Mr. José Miquel Vacarisas has full powers of action in Agrícola del Sudeste Almeriense S.A., and takes decisions in execution thereof.
Mr. ÁLVARO DE LA SERNA CORRAL	ENKIDU INVERSIONES, S.L.	ENKIDU INVERSIONES, S.L.	Mr. Álvaro de la Serna Corral is Joint and Several Director of Enkidu Inversiones S.L., and majority 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
Mr. JORGE MERCADER BARATA	HACIA, S.A.	HACIA, S.A.	Mr. Jorge Mercader Barata is a Councillor of Hacia S.A.
Mr. JORGE MERCADER MIRÓ	HACIA, S.A.	HACIA, S.A.	Mr. Jorge Mercader Miró is President of HACIA S.A. Classified as a Proprietary Director representing the significant shareholder.

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
2.029.906		5,07

(*) Through:

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

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 adopted by the General Shareholders' Meeting held on 22 June 2021, which states:

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

This authorisation is granted for a period of five (5) years from the date hereof, in all cases in accordance with the provisions of article 148 of the Capital Companies Act.

To rescind, in the unused portion, the authorisation granted to the Board of Directors by the Ordinary and Extraordinary General Meeting of 20 June 2018.

To authorise the Board of Directors so that, among other finds, it may allocate, in whole or in part, the treasury shares acquired to the implementation of remuneration programmes whose purpose is or involves the delivery of shares or stock options, or which are based in any way on the evolution of the stock market price of the share, in accordance with the provisions of article 146.1.a) of the Capital Companies Act'.

The Board of Directors, at its meeting of 22 June 2021, adopted the resolution to execute the authorisation conferred by the aforementioned General Meeting.

A.10. Estimated free float:

	%
Estimated free float	48,00

A.11. 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.12. 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.13. 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 the amendment of the Company's Articles of Association correspond to those provided for in the Capital Companies 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				
	% attending in person	% attending by proxy	% voting remotely		Total
			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
20/06/2024	50,16	14,65	0,00	5,04	69,85
Of which, free float	0,36	12,10	0,00	4,80	17,26

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.miquelcostas.com'. Its content is based on the information considered to be of interest to shareholders and investors, as well as that 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
Mr. JOSE CLAUDIO ARANZADI MARTINEZ		Independent	MEMBER	20/06/2019	22/06/2023	GENERAL MEETING RESOLUTION
Mr. JAVIER BASAÑEZ VILLALUENGA		Other non-executive	MEMBER	28/07/2008	22/06/2023	GENERAL MEETING RESOLUTION
Mrs. MARTA LACAMBRA I PUIG		Independent	MEMBER	20/06/2019	22/06/2023	GENERAL MEETING RESOLUTION
Mr. JORGE MERCADER MIRÓ		Proprietary	MEMBER	05/11/1991	22/06/2023	GENERAL MEETING RESOLUTION
Mr. JOSÉ MIQUEL VACARISAS		Proprietary	MEMBER	22/06/2023	22/06/2023	GENERAL MEETING RESOLUTION
Mr. NARCÍS SERRA SERRA		Independent	MEMBER	22/06/2023	22/06/2023	GENERAL MEETING RESOLUTION
Mr. JORGE MERCADER BARATA		Executive	CHAIRMAN	27/06/2012	21/06/2022	GENERAL MEETING RESOLUTION
Mr. EUSEBIO DÍAZ-MORERA PUIG-SUREDA		Other non-executive	MEMBER	18/04/1997	21/06/2022	GENERAL MEETING RESOLUTION
Mr. ÁLVARO DE LA SERNA CORRAL		Proprietary	MEMBER	28/07/2008	22/06/2023	GENERAL MEETING RESOLUTION

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
Mrs. 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
Mr. 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
Mr. 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.
Mr. 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.
Mr. 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 UBS AG Branch Office in Spain after the take over of Credit Suisse, 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.

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
Mr. 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.
Mrs. 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 Fundación 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 Fundación 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.
Mr. 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.
Mrs. 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 ASA Aerospace Sealant Application S.L., 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		

OTHER NON-EXECUTIVE BOARD MEMBERS			
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
Mr. 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 duodecies 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.
Mr. 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
No data			

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			
	2024	2023	2022	2021	2024	2023	2022	2021
Executive					0,00	0,00	0,00	0,00
Proprietary				1	0,00	0,00	0,00	10,00
Independent	2	2	1	1	20,00	20,00	10,00	10,00
Other non-executive					0,00	0,00	0,00	0,00
Total	2	2	1	2	20,00	20,00	10,00	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 legislation.

To this end, in order to ensure that different opinions concur within the Board of Directors, the responsible bodies must at all times bear in mind the principle of diversity, in particular, of gender as well as, among others, of training, knowledge and professional experience, skills or age, together with the principle of non-discrimination and equal treatment, ensuring that in the appointment or re-election processes of the members of the Board of Directors, candidates of the less represented sex are incorporated and that any kind of discrimination in this respect is avoided.

For such purposes, in order to promote diversity, the Company shall establish measures aimed at encouraging an adequate number of members, so as to achieve an appropriate, diverse and balanced composition of the Board of Directors as a whole, which enriches decision-making and contributes pluralistic points of view to the debate on matters within its competence.

To this end, the Human Resources, Appointments and Remuneration Committee shall ensure that the selection procedures do not suffer from implicit biases that could imply any discrimination, among others, for reasons of gender, ethnic origin, age or disability. In particular, at least one woman with the professional profile sought shall be included among the potential candidates for Directors, 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 Directors reaches at least that which is legally required at any given time.

Candidates for Directors of the Company must meet the requirements of professional and personal qualification and honourability. They must be prestigious, suitable persons of recognised professional solvency, competence, experience, qualification, training, availability and commitment to their function, with a personal and professional record of respect for the law and good business practices and, necessarily, they must comply with the precepts established by law at all times, in order to be able to form part of an administrative body.

- 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 Regulations of the Board of Directors of the Company include, among the basic responsibilities of the Human Resources, Appointments and Remuneration Committee, that of reporting to the Board on gender diversity issues, and that of proposing a target for the representation of the under-represented sex on the Board of Directors and drawing up guidelines on how to achieve this target.

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

The Company's labour and Human Resources development policy, applicable to all personnel including Senior Management, has always been governed by the principle of non-discrimination, 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 legislation in force to achieve effective equality between men and women, the Company has an equality plan with the aim of contributing to the elimination of discriminatory behaviour in the workplace on the grounds of gender and includes, among others, the implementation of measures that favour the incorporation, permanence and development of people with the aim of achieving gender equality of people with the aim of achieving a balanced participation between women and men at all levels of the organisation. In this regard, to strengthen the Group's management structure, a woman was incorporated into senior management as Director of the Group's People Department (HR) in this financial year 2024.

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

Explanation of the reasons

In the 2024 financial year, as stated in the previous section, Ms. Gemma Noguera has been incorporated as Director of the People Department (RHH) of the Miquel y Costas Group.

It should be pointed out that when there are vacancies to be filled on the Board of Directors and in all other cases, the selection of Board members and senior managers is carried out objectively, taking into consideration people of both sexes who meet the necessary conditions and capabilities, taking into account the candidate's prestige, knowledge and professional experience for the position. In the event that there are two candidates with the same qualifications, the one representing the under-represented gender shall be elected.

- 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 it essential in the selection of Board members to assess the competence, knowledge, experience and aptitudes of the candidate to actively collaborate with the Company, ensuring that during the selection process there is no discrimination on the grounds of gender.

- 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
Mr. 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?
Mr. JAVIER BASAÑEZ VILLALUENGA	DESVI, S.A.	MEMBER	NO
Mr. JORGE MERCADER BARATA	MIQUEL Y COSTAS DEUTSCHLAND GMBH	SOLE DIRECTOR	YES
Mr. JORGE MERCADER BARATA	PAPELES ANOIA, S.A.	CHAIRMAN	NO
Mr. JORGE MERCADER BARATA	CELULOSA DE LEVANTE, S.A.	MEMBER	NO

Name or company name of Board Members	Name of the group company	Position	Do they have executive functions?
Mr. JORGE MERCADER BARATA	S.A. PAYA MIRALLES	MEMBER	NO
Mr. JORGE MERCADER BARATA	CLARIANA, S.A.	MEMBER (INDIVIDUAL REPRESENTATIVE)	NO
Mr. JORGE MERCADER BARATA	SOCIEDAD ESPAÑOLA ZIG ZAG, S.A.	CHAIRMAN	NO
Mr. JORGE MERCADER BARATA	DESVI, S.A.	COUNCIL SECRETARY AND CEO	YES
Mr. JORGE MERCADER BARATA	MB PAPELES ESPECIALES, S.A.	CHAIRMAN (INDIVIDUAL REPRESENTATIVE)	NO
Mr. JORGE MERCADER BARATA	MIQUEL Y COSTAS ENERGÍA Y MEDIO AMBIENTE, S.A.	CHAIRMAN	NO
Mr. JORGE MERCADER BARATA	MIQUEL Y COSTAS TECNOLOGÍAS, S.A.	CHAIRMAN AND CEO	YES
Mr. JORGE MERCADER BARATA	TERRANOVA PAPERS, S.A.	CHAIRMAN (INDIVIDUAL REPRESENTATIVE)	NO
Mr. JORGE MERCADER BARATA	MIQUEL Y COSTAS LOGISTICA, S.A.	CHAIRMAN (INDIVIDUAL REPRESENTATIVE)	NO
Mr. JORGE MERCADER BARATA	FOURTUBE, S.L.	MEMBER (INDIVIDUAL REPRESENTATIVE)	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
Mr. JORGE MERCADER BARATA	HACIA S.A.	MEMBER
Mr. JORGE MERCADER MIRÓ	HACIA S.A.	CHAIRMAN
Mrs. MARTA LACAMBRA I PUIG	MÓN ST. BENET S.L.	EXECUTIVE DIRECTOR
Mr. ÁLVARO DE LA SERNA CORRAL	ENKIDU INVERSIONES S.L.	JOINT AND SEVERAL DIRECTOR
Mr. ÁLVARO DE LA SERNA CORRAL	SASEKILIA S.L.	MEMBER

Name of Board Members or representative	Name of listed or unlisted company	Position
Mr. JOSÉ MIQUEL VACARISAS	JOANFRA S.A.	MEMBER
Mr. JOSÉ MIQUEL VACARISAS	EUVITRO SLU	MEMBER
Mr. JOSÉ MIQUEL VACARISAS	Centro de Infertilidad y Reproducción Humana SLU	MEMBER
Mr. JOSÉ MIQUEL VACARISAS	EUGN QF, SLU	MEMBER
Mrs. MARÍA TERESA BUSTO DEL CASTILLO	MTorres Diseños Industriales, SAU	MEMBER
Mrs. MARÍA TERESA BUSTO DEL CASTILLO	ASA Aerospace Sealant Application S.L.	MEMBER
Mr. EUSEBIO DÍAZ-MORERA PUIG-SUREDA	EDM GESTION SAU 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
Mr. NARCÍS SERRA SERRA	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. 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).
Mr. ÁLVARO DE LA SERNA CORRAL	He is an executive at AG Branch Office in Spain.
Mr. JOSÉ MIQUEL VACARISAS	He is the Head of Internal Audit & Compliance at the Eugin Group.
Mrs. 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:

[v] Yes
[] No

Explanation of the rules and where are they stated

The Regulations of the Board of Directors of the Company establish that in order that the Director may devote the time and effort necessary to perform his duties efficiently, he may not sit on more than four Boards.

For the purposes of calculating the number of Boards referred to in the preceding section, the following rules shall be taken into account:

- a) Those Boards on which he sits as a Proprietary Director proposed by Miquel y Costas & Miquel S.A. or by any of its Group companies shall not be computed.
- b) All the Boards of companies forming part of the same group shall be counted as a single Board, as well as those on which the Director sits as a Proprietary Director of a Group company, even if the shareholding in the share capital of the Company or its degree of control does not allow it to be considered as a member of the Group.
- c) Those Boards of Directors of companies with assets or which constitute vehicles or complements for the professional practice of the Director himself, of his spouse or person with an analogous relationship of affectivity, or of his close relatives, shall not be included in the calculation.
- d) Those Boards of Directors of companies which, although of a commercial nature, are complementary or ancillary to another activity which for the Director is a leisure activity, assistance or aid to third parties or any other activity which does not involve the Director's own true dedication to a commercial business, shall not be considered for computation.

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)	3.145
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)	1.083
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)
Mrs. OLGA ENCUESTRA CATALÁN	HEAD OF MANAGEMENT CONTROL OF THE GROUP
Mr. JAVIER GARCÍA BLASCO	SALES MANAGER OF THE LIBRITOS DIVISION
Mr. JORDI PRAT CANADELL	CHIEF FINANCIAL OFFICER OF THE GROUP
Mr. IGNASI NIETO MAGALDI	GENERAL MANAGER
Mr. JOSÉ MARÍA MASIFERN VALÓN	MANAGER OF THE BESÓS FACTORY

Name or company name	Position(s)
Mr. ANTONI ALBAREDA SOTERAS	MANAGER OF THE CAPELLADES FACTORY
Mrs. VICTORIA LACASA ESTEBANEZ	HEAD OF THE GROUP'S LEGAL DEPARTMENT
Mr. ALFONSO PÉREZ LLORENTE	MANAGER OF THE MISLATA FACTORY
Mr. JOSEP PAYOLA BASETS	MANAGER OF MB PAPELES ESPECIALES, S.A. - TERRANOVA PAPERS S.A.
Mrs. GEMMA NOGUERA PEREZ	HEAD OF PEOPLE DEPARTMENT (RHH)
Mr. OSCAR GAMO HERRANZ	SALES MANAGER OF THE FUMAR DIVISION

Number of women in senior executive positions	3
Percentage of the total number of senior executives	27,27

Total remuneration of senior executives (thousands of euros)	3.870
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C.1.15 Indicate whether any amendments were made to the board regulations during the year:

☐ Yes
☒ No

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 regulations of the Board of Directors, on the appointment of Directors, establishes:

- Directors shall be elected by the General Meeting or appointed by the Board of Directors in the event of co-optation, in accordance with the provisions of the Capital Companies Act and the Articles of Association. The election or appointment of directors shall be preceded by the corresponding proposal from the Human Resources, Appointments and Remuneration Committee in the case of independent directors and by a report in the case of other directors.

- The Directors appointed must meet the requirements established in the Articles of Association for holding office and may not be affected by any legally established grounds for disqualification.

- Directors shall hold office for the term of office established in the Articles of Association and may be re-elected.

The Articles of Association stipulate that Directors need not be shareholders and shall always be elected and re-elected by the General Meeting and shall hold office for a term of four years.

The Regulations of the Board of Directors on the removal of directors also stipulate that:

1.- Directors shall cease to hold office when the term for which they were appointed has elapsed and when so decided by the General Meeting in use of the powers granted to it by law.

2.- The Board shall propose to the General Meeting the removal of directors in the following cases, among others:

a. When they are subject to legal incompatibility or prohibition

b. When their continued membership on the Board could jeopardize the Company's interests, or when the reasons for their appointment cease to exist. This latter circumstance will be deemed to have occurred with respect to a Proprietary Director when the entire shareholding they hold or whose interests they represent is sold, and also when said shareholding decreases to a level that requires a reduction in the number of proprietary directors.

3.-When a Director terminates his term of office or for any other reason ceases to hold office, he may not render services in another entity that has relations with

competitors of Miquel y Costas Group companies for a period of two years.

4.- If the resignation occurs before the end of his term of office, he shall explain the reasons in a letter to be sent to all the members of the Board. The CNMV shall be notified of the resignation as a significant event and a notice thereof shall be published in the I. A. G. C.

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

On the basis of the conclusions drawn from the evaluation of the Council's activity and the discussions thereon, this Body has considered that the adoption of a specific plan to correct the statements made is not necessary.

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

In order to comply with the provisions of the Capital Companies Act, the Regulations of the Board of Directors of the Company and based on the Recommendations established in the Code of Good Governance regarding the annual evaluation of the functioning of the administrative bodies, in January 2025, the Directors evaluated the performance of the functions of the Board of Directors, its Committees and those of its Chairman in the financial year 2024, applying the questionnaire methodology, with subsequent debate and analysis in a face-to-face session.

From the annual evaluation carried out, it is concluded that the overall result of the self-evaluation has been positive and that the Directors consider satisfactory (i) the quality and efficiency of the functioning of the Board of Directors, as well as its composition and functioning, (ii) the functioning and composition of its committees, (iii) the diversity in the composition and competencies of the Board and (iv) the performance of the Chairman of the Board in his functions.

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 Good Governance Code of Listed Companies, the Board of Directors was not assisted in the evaluation carried out in January 2025, in respect of financial year 2024, by an independent external consultant.

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

The Regulations of the Board of Directors of the Company establish that the Board shall propose to the General Meeting the removal of Directors in cases where they are incompatible or prohibited by law, when their continued presence on the Board may jeopardise the interests of the Company or when the reasons for which they were appointed cease to exist. The latter circumstance is understood to occur with respect to a proprietary director when the total shareholding interest held by him or her or whose interests he or she represents is disposed of, and also when such shareholding decreases to a level that requires a reduction in the number of proprietary directors.

The aforementioned Regulations also provide that, in relation to the Director's Duty of Information, the Director must inform the Company of any personal circumstances that affect or may affect the credit or reputation of the Company, in particular, of any criminal proceedings in which he is accused and the relevant procedural events. The Board may, after examining the situation, require the Director to tender his resignation, and this decision must be complied with by the Director.

In addition, the Board may require the Director to resign for failure to comply with his 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.

The Articles of Association establish that, in the event of inability to attend a Board meeting, each of its members may delegate his or her representation and vote to a Director in writing and specifically for each meeting.

For its part, the Board of Directors' Regulations establish that the proxy to another director shall be conferred with instructions regarding the decisions to be adopted in the treatment of the different items on the agenda of the meeting.

No maximum number of proxies is established, nor is there any limitation as to the categories to which it is possible to delegate beyond the limitations imposed by the 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	12
Number of board meetings held without the chair's attendance	0

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	6
Number of meetings of the HUMAN RESOURCES, APPOINTMENTS AND REMUNERATION COMMITTEE	3

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	12
Attendance in person as a % of the total votes cast during the year	96,66
Number of meetings with attendance in person, or by proxy with specific instructions, of all members	12
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
Mrs. MARTA LACAMBRA I PUIG	CHAIR OF THE AUDIT COMMITTEE
Mr. ÁLVARO DE LA SERNA CORRAL	AUDIT COMMITTEE MEMBER
Mrs. 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 companies of the Miquel y Costas Group prepare their annual accounts following the legal precepts and applying generally accepted accounting principles under the supervision of the economic and financial department and the oversight of the Audit Committee.

Each year, those responsible for the economic financial department together with the auditors carry out a recognition and follow-up of the degree of compliance with the recommendations arising from the work carried out in the accounts audit.

In compliance with its functions, the Audit Committee meets with the external auditors at least twice a year to be informed about those issues related to the development process of the accounts audit and to deal with those issues that could give rise to possible qualifications in order to put the necessary means so that they do not take place.

Finally, the Audit Committee submits the annual accounts to the Board for their formulation.

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
Mrs. 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.

Pursuant to the provisions of the Regulations of the Board of Directors of the Company, the Audit Committee issues an annual report, prior to the issuance of the audit report, in which it expresses its opinion on the independence of the auditors. The aforementioned Regulations contemplate, among the basic responsibilities of the Audit Committee, that of maintaining appropriate relations with the external auditors in order to receive information on those matters that may jeopardise their independence, for examination by the Committee, and any other matters that may affect the independence of the auditors, and any other matters that may affect the independence of the auditors by the Committee, and any other matters related to the process of auditing the accounts and, where appropriate, the authorisation of services other than those prohibited under the applicable regulations, as well as those other communications envisaged in legislation on auditing the accounts and in the technical auditing standards. In any case, the Audit Committee must receive annually from the auditors written confirmation of their independence vis-à-vis the Company or entities directly or indirectly related to it, as well as detailed and individualised information on the additional services of any kind rendered and the corresponding fees received from these entities by the aforementioned auditors, entities by the aforementioned auditors, or by the persons or entities related to them, in accordance with the provisions of the legislation on auditing of accounts.

In relation to financial analysts, investment banks and rating agencies, the Company preserves its independence by making available to the market, through public disclosure, all Company information provided to such agents without giving any preferential treatment to any of them.

The aforementioned Regulations provide that the Board shall inform the public immediately about the following matters:

- (a) relevant information capable of appreciably influencing the formation of stock exchange prices.
- b) changes in the ownership structure of the Company, such as changes in significant shareholdings, syndicate agreements and other forms of coalition, of which it has become aware.
- c) material changes in the Company's governance rules.
- d) the treasury stock policies that the Company intends to carry out under the authorisations obtained from the General Meeting.

Likewise, the Company's Internal Code of Conduct contemplates and determines the causes and conditions 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

Outgoing auditor	Incoming auditor
PricewaterhouseCoopers Auditores, S.L.	Deloitte Auditores S.L.

Due to the expiry of the maximum period permitted by law for the appointment of PricewaterhouseCoopers Auditores S.L. as external auditor, the Company changed its auditor during the year. In this regard, the Ordinary General Meeting held on 20 June 2024 resolved to appoint the firm Deloitte Auditores S.L. as the new auditor of the Company and its consolidated Group for a period of three (3) years, i.e. to audit the Annual Accounts for the financial years 2024, 2025 and 2026.

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)	6	0	6
Fees for other non-audit work / Fees for audit work (%)	5,88	0,00	3,02

C.133 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.134 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	1	1

	Separate	Consolidated
Number of years audited by current audit firm/Number of years the company or its group has been audited (as a %)	2,78	2,78

C.135 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 the meetings of the Board of Directors, the Regulations of this body establish that:

'The notice of meeting shall always include the Agenda of the meeting, which must include, among other items, those relating to information from the affiliated companies and the Board Committees, as well as the proposals and suggestions made by the Chairman and the other members of the Board, which shall be submitted no less than five working days prior to the date of the Board itself, in accordance with the provisions of the Articles of Association'.

Each director has a dossier for each board meeting, which is explained and, where appropriate, discussed, containing detailed information on all the items to be discussed at the meeting. Those items of greater complexity, such as the annual budget, investment plan, strategic plan and others of special significance, receive this reinforced treatment. In the period between board meetings, directors may consult and request all the necessary information they require.

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

The Regulations of the Board of Directors, in relation to the duties of information of the Director, establishes that:

'The Director must inform the Company of those personal circumstances that affect or may affect the credit or reputation of the Company, in particular, of the criminal cases in which he appears as an accused person and of the relevant procedural vicissitudes, all of which shall be reported in the I.A.G.C.'. The Board may, after examining the situation presented by the Director, require his resignation and this decision must be complied with by the Director'.

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.

There are no significant agreements entered into by the Company that take effect, are amended or terminate in the event of a change of control following a takeover bid.

- C.139 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
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.

AUDIT COMMITTEE		
Name	Position	Category
Mrs. MARTA LACAMBRA I PUIG	CHAIRMAN	Independent
Mr. ÁLVARO DE LA SERNA CORRAL	MEMBER	Proprietary
Mrs. 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.

The Audit Committee is regulated by the Articles of Association and the Regulations of the Board of Directors of the Company.

As of 31 December 2024, it is composed of three Directors, two of whom are independent, and is chaired by an independent Director.

The aforementioned Regulations state that 'the Audit Committee, in all matters not provided for in these rules, shall be governed by the operating guidelines of the Board of Directors'.

The basic responsibilities of the Audit Committee are as follows:

- To report to the General Shareholders' Meeting on the issues raised therein on matters within its competence and, in particular, on the result of the audit, explaining how this has contributed to the integrity of the financial information and the role that the Audit Committee has played in this process.
- To propose to the Board of Directors, for submission to the General Shareholders' Meeting, the appointment, hiring conditions, scope of the mandate, re-election and, where appropriate, the removal or non-renewal of the external auditors or audit firms, taking responsibility for the selection process in accordance with the applicable regulations.
- To supervise the effectiveness of the internal audit, internal control and risk management systems of the Company, including the internal control systems over financial reporting, 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 infringing their independence.
- To be familiar with and supervise the process of preparation and presentation of the regulated financial information. Prior to the adoption of the corresponding resolution by the Board, the Audit Committee shall report to the Board on the periodic financial information as well as on other information that the Company must disclose to the markets and their supervisory bodies, submitting recommendations or proposals to safeguard the integrity of such information, as the case may be.
- To maintain appropriate relations with the external auditors or audit firms in order to receive information on those matters that may jeopardise their independence, for examination by the Committee, and any others related to the process of auditing the accounts, and, where appropriate, the authorisation of services other than those prohibited under the applicable regulations, as well as those other communications provided for in legislation on auditing the accounts and in the technical auditing standards.

In any case, the Audit Committee shall receive annually from the external auditors or audit firms written confirmation of their independence from the Company or entities directly or indirectly related to it, as well as detailed and individualised information on the additional services of any kind rendered and the corresponding fees received from these entities by the aforementioned external auditors or audit firms, or by the persons or entities related to them in accordance with the provisions of legislation on auditing of accounts.

- Annually issue, prior to the issuance of the audit report, a report expressing an opinion on the independence of the auditors or audit firms. This report must, in any

case, express an opinion on the provision of the additional services referred to in section e) above, considered individually and as a whole, and must contain a reasoned assessment of the same in relation to the independence regime.

g. Establish and supervise a procedure that allows employees to report, confidentially and, if considered appropriate, anonymously, any irregularities of special significance, particularly financial and accounting irregularities, that they notice within the Company.

h. Report on related-party transactions that must be approved by the General Meeting or the Board of Directors and supervise the internal procedure, if any, established by the Company for those whose approval has been delegated.

During the financial year 2024, the Audit Committee met six times to deal with the following matters, among others: supervision of the Financial Statements and management information of the Company and the consolidated Group; review and reporting to the Board on the Periodic Public Information consisting of the half-yearly and interim reports; analysis and study of the financial policy, reporting thereon to the Board of Directors; examining the communications received through the Ethical Channel; examine the Internal Control for the prevention of criminal risks; issue the Report on the Functioning and Activities of the Committee in financial year 2023; issue the Report on the Independence of the Auditors; examine the Corporate Social Responsibility Report for financial year 2023; authorise the contracting of services other than the auditing of accounts.

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	Mrs. MARTA LACAMBRA I PUIG Mr. ÁLVARO DE LA SERNA CORRAL Mrs. MARÍA TERESA BUSTO DEL CASTILLO
Date of appointment as chair	31/07/2023

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

% 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, including, if applicable, those additional to those provided for by law, attributed to this committee, and describe the procedures and rules of organisation and operation thereof. For each of these functions, indicate its most important actions during the financial year and how it has exercised in practice each of the functions attributed to it, whether by law or in the Articles of Association or in other corporate resolutions.

The Human Resources, Appointments and Remuneration Committee is regulated by the Articles of Association and the Regulations of the Board of Directors of the Company.

As at 31 December 2024, it is composed of five Directors, three of whom are independent, and is chaired by an independent Director.

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

The aforementioned Regulations state that 'the Human Resources, Appointments and Remuneration Committee, in all matters not provided for in these rules, shall be governed by the operating guidelines of the Board of Directors'.

The basic responsibilities attributed to the Human Resources, Appointments and Remuneration Committee are:

a. Propose to the Board of Directors the appointment of independent Directors for appointment by co-option or for submission to the decision of the General Meeting, as well as the re-election or removal of such Directors by the General Meeting; the remuneration of Directors and the salary policy for senior management; the individual remuneration of executive Directors and the other terms and conditions of their contracts; the basic conditions of the contracts of senior management; the general human resources policy of the Group companies; propose to the Board of Directors a target for the representation of the under-represented sex on the Board of Directors and draw up guidelines on how to achieve this target.

b. Inform the Board of Directors of the appointment of proprietary and executive Directors for appointment by co-option or for submission to the decision of the General Meeting, as well as their re-election or removal by the General Meeting; the appointment of the Chairman of the Board of Directors; the appointments of the Chairman of the Board of Directors; the appointments of the members of the Board of Directors and the appointment of the members of the Board of Directors. Chairman of the Board of Directors; appointments and removals of senior executives and the basic conditions of their contracts; gender diversity issues; appointments and removals of senior executives proposed to the Board by the chief executive; appointment and removal of the Secretary of the Board of Directors.

c. Evaluate the profile of the most suitable persons to form part of the different Committees, in accordance with their knowledge, aptitudes and experience, determining for these purposes the necessary functions and aptitudes of the candidates to fill each vacancy and assessing the time and dedication required for them to be able to perform their duties effectively; the competence, knowledge and aptitudes of the candidates for Directors; the succession of the Chairman and the chief executive and, if appropriate, making proposals to the Board of Directors so that such succession takes place in an orderly and planned manner; compliance with the internal codes of conduct and rules of corporate governance.

During financial year 2024, the Human Resources, Appointments and Remuneration Committee met on three occasions to deal, among others, with the following matters: structure and evolution of the workforce; examination of Directors' remuneration; appointment of an external consultant to assist the Board of Directors in the annual evaluation of its operation and that of its committees for financial year 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							
	2024		2023		2022		2021	
	Number	%	Number	%	Number	%	Number	%
AUDIT COMMITTEE	2	66,66	2	66,66	1	33,30	0	0,00
HUMAN RESOURCES, APPOINTMENTS AND REMUNERATION COMMITTEE	1	20,00	1	20,00	2	40,00	1	25,00

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 powers and rules of operation of the Human Resources, Appointments and Remuneration Committee and those of the Audit Committee are regulated in the Articles of Association and in the Regulations of the Board of Directors of the Company, the texts of which are available on the corporate website. No changes were made to these regulations during the year.

The Audit Committee prepares an Annual Activity Report.

During the year, the working groups set up within the Board of Directors met on several occasions: "Energy and Environment Committee", "R&D&I and Trade Committee" and "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.

Pursuant to the provisions of the Regulations of the Board of Directors of the Company, the Audit Committee's basic responsibilities include reporting on related-party transactions to be approved by the General Meeting or the Board of Directors and supervising the internal procedure, if any, established by the Company for those transactions whose approval has been delegated.

In order to comply with the provisions of current legislation regarding the inclusion of information on related parties in the half-yearly financial report to be sent to the National Securities Market Commission, the Company requests its directors and executives to submit a declaration listing all transactions that they and their related parties may have carried out with the Company or with any Group company during the reporting period. In addition, the Company performs a second level control in order to be able to contrast the aforementioned declarations and, where appropriate, identify possible discrepancies.

On the other hand, the Company's Internal Code of Conduct establishes that Affected Persons, when they have carried out for their own account any transaction for the subscription, purchase or sale of Affected Securities, must, within fifteen days following the end of each calendar month, make a detailed report to the Secretary of the Board of Directors of such transactions, unless such report must be made in advance in accordance with the applicable regulations, with transactions carried out by Related Persons being treated in the same way as transactions for their own account, with the obligation to declare them.

For its part, Chapter IX of the Board of Directors' Regulations contemplates the "Duties of the Director" in matters relating to confidentiality, non-competition, non-public information of the Company or business opportunities, establishing that these duties shall also be understood to be enforceable when the circumstances envisaged in each case relate to companies in which the Director has a significant holding or to any person related to the Director in terms that affect his 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)	Mr. JORGE MERCADER MIRÓ	18,08	MIQUEL Y COSTAS & MIQUEL S.A.	3.351	Board with the ratification at the General Meeting		YES
(2)	INDUMENTA PUERI, S.L.	14,65	MIQUEL Y COSTAS & MIQUEL, S.A.	2.720	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)	Mr. JORGE MERCADER MIRÓ	Corporate	Dividends paid
(2)	INDUMENTA PUERI, S.L.	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)	Mr. JORGE MERCADER BARATA	MIQUEL Y COSTAS & MIQUEL S.A.	MEMBER	107	Board with the ratification at the General Meeting		YES
(2)	Mr. JAVIER BASAÑEZ VILLALUENGA	MIQUEL Y COSTAS & MIQUEL S.A.	MEMBER	54	Board with the ratification at the General Meeting		YES
(3)	Mr. ÁLVARO DE LA SERNA CORRAL	MIQUEL Y COSTAS & MIQUEL S.A.	MEMBER	1.702	Board with the ratification at the General Meeting		YES
(4)	Mr. EUSEBIO DÍAZ-MORERA PUIG-SUREDA	MIQUEL Y COSTAS & MIQUEL S.A.	MEMBER	54	Board with the ratification at the General Meeting		YES
(5)	Mr. JOSÉ MIQUEL VACARISAS	MIQUEL Y COSTAS & MIQUEL S.A.	MEMBER	2.444	Board with the ratification at the General Meeting		YES
(6)	Mr. IGNASI NIETO MAGALDI	MIQUEL Y COSTAS & MIQUEL S.A.	EXECUTIVE	8	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
(7)	Mr. ALFONSO PÉREZ LLORENTE	MIQUEL Y COSTAS & MIQUEL S.A.	EXECUTIVE	4	Board with the ratification at the General Meeting		YES
(8)	Mr. JAVIER GARCÍA BLASCO	MIQUEL Y COSTAS & MIQUEL S.A.	EXECUTIVE	24	Board with the ratification at the General Meeting		YES
(9)	Mr. JOSÉ MARÍA MASIFERN VALÓN	MIQUEL Y COSTAS & MIQUEL S.A.	EXECUTIVE	16	Board with the ratification at the General Meeting		YES
(10)	Mr. ANTONI ALBAREDA SOTERAS	MIQUEL Y COSTAS & MIQUEL S.A.	EXECUTIVE	10	Board with the ratification at the General Meeting		YES
(11)	Mr. JOSEP PAYOLA BASETS	MIQUEL Y COSTAS & MIQUEL S.A.	EXECUTIVE	23	Board with the ratification at the General Meeting		YES
(12)	Mrs. OLGA ENCUESTRA CATALÁN	MIQUEL Y COSTAS & MIQUEL S.A.	EXECUTIVE	9	Board with the ratification at the General Meeting		YES
(13)	Mr. 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)	Mr. JORGE MERCADER BARATA	Dividends paid
(2)	Mr. JAVIER BASAÑEZ VILLALUENGA	Dividends paid
(3)	Mr. ÁLVARO DE LA SERNA CORRAL	Dividends paid
(4)	Mr. EUSEBIO DÍAZ-MORERA PUIG-SUREDA	Dividends paid
(5)	Mr. JOSÉ MIQUEL VACARISAS	Dividends paid
(6)	Mr. IGNASI NIETO MAGALDI	Dividends paid
(7)	Mr. ALFONSO PÉREZ LLORENTE	Dividends paid
(8)	Mr. JAVIER GARCÍA BLASCO	Dividends paid
(9)	Mr. JOSÉ MARÍA MASIFERN VALÓN	Dividends paid
(10)	Mr. ANTONI ALBAREDA SOTERAS	Dividends paid
(11)	Mr. JOSEP PAYOLA BASETS	Dividends paid
(12)	Mrs. OLGA ENCUESTRA CATALÁN	Dividends paid
(13)	Mr. 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.

Pursuant to the Internal Regulations Code of Conduct, the person covered by it are required to inform the Secretary of the Board of Directors of any potential conflicts of interest to which they or related person may be subject, due to their family relationships, their personal assets, or for any other reason. Any doubt regarding the possibility of a conflict of interest should be discussed with the Secretary of the Board before making any decision that could be affected by said conflict of interest.

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

In addition to the foregoing, each year all the members of the Board of Directors, regardless of whether they had already reported it at the time it arose, make an express declaration regarding the situation of conflicts of interest, both in relation to the directors themselves personally and to their related parties, subsequently ratifying it at a meeting of the Board of Directors, of which the Secretary of the Board leaves a written record 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 compliance with the functions established in the Articles of Association and in the Board of Directors' Regulations, controls business risks, supervises and directs 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 in its commercial, criminal and fiscal aspects.

- 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:

Under its supervision and control are all aspects related to the personnel providing services to the Group: prevention and safety, fidelisation, substitution, etc.

2.- Audit Committee:

It knows and supervises the financial information process, the Internal Control Systems as well as the Internal Control Model for the Prevention of Criminal Risks of the Company.

3- Management Committee:

It supervises the business areas, both productive and logistical in general, including the environmental and commercial areas.

4- Risk and Control Management Committee:

This committee is responsible for the control of economic-financial, fiscal, legal and commercial risks, as well as the risk of accidents in terms of prevention and insurance.

5.- Investment Committee:

This committee is responsible for monitoring investments in tangible assets in all their facets and the correct implementation of the plan approved by the Board of Directors.

6.- Energy and Environment Committee:

Analyses, debates, proposes and controls risks and opportunities related to the environment.

7.- Area Committees:

They are responsible for the execution of guidelines in the aspects closest to the areas of operational and commercial risks of each of the Group's areas.

8.- Compliance Officer:

Control, proposal of measures, report and proposal of evidence and, where appropriate, analysis of mitigating actions.

9.- I+D+i Committees:

Presents and monitors innovation and development projects in new processes and the expansion of the product portfolio.

- 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 listed below:

Macroeconomic:

Raw Materials and Energies

Economic financial environment

Legal and regulatory in civil, commercial and fiscal matters, among others.

Operations and Markets:

Sector concentration

Quality and quality assurance

Research and new products

Facilitation:

Asset Integrity

Information 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 it has identified.

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

These Regulations also provide that the Audit Committee, in the performance of the powers attributed to it, shall 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 the aforementioned risks, the application of which it shall propose to the Board of Directors.

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

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

Risk materialised in the year: Legal. In financial year 2024, the litigation that the Company had with the previous distributor Tobacco's Import Export SPA for the Italian market has been concluded, whose agreement and accounting was made in the second half of 2023, which has meant an extraordinary income in financial year 2024.

Risk materialised in the year: Tax. Filing of a contentious-administrative appeal before the National High Court against the ruling issued by the Central Economic-Administrative Court rejecting the economic-administrative claim filed against the settlement agreement of the fiscal inspection in relation to the Corporate Income Tax for the financial years 2012 to 2015.

Risk materialised in the year: Filing of a contentious-administrative appeal before the Contentious-Administrative Chamber of the National High Court against the ruling issued by the Central Economic-Administrative Court rejecting the claim filed against the Settlement Agreements of the Tax Agency in relation to the partial exemption in the Electricity Tax for financial years 2016 and 2017 on the one hand, and for financial year 2018, on the other; the Company having provisionally proceeded with the payment of the settlements included in the aforementioned Settlement Agreements.

Risk materialised in the year: Filing of a contentious-administrative appeal against the decision of the Regional Economic-Administrative Court of Catalonia, in the framework of the procedure for requesting a refund of undue income for the Hydrocarbon Tax assessments for the periods between September 2014 and September 2018, 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 applicable regulations through its Committees, its Management Committee, its internal departments, and with the collaboration of its external advisers. Any new regulation with an impact on the Company's activity is channelled through the areas of responsibility that need to be aware of it for proper compliance.

Additionally, the Board of Directors and, where applicable, its Delegated Committees, carry out selective monitoring of the application, adequacy, and observance of the aforementioned regulations.

Also in the area of taxation, it maintains constant updates of tax regulations through its advisers, analyses economic events in order to address them with the highest guarantees in the responsible Committees, and activates the relevant procedures in cases where the Tax Administration so requires.

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.

Pursuant to the provisions of the Regulations of the Board of Directors of the Company, the Audit Committee is responsible for supervising the effectiveness of the internal audit, the Internal Control Systems of the Company and, in particular, the knowledge and supervision of the process of preparation and presentation of Regulated Financial Information. Internal supervision activities are carried out under its direction.

- 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:

It is the mission of the Human Resources, Appointments and Remuneration Committee to define and review the organisational structure and to submit and report it to the Board of Directors. Acting by delegation of the Board, General Management is responsible for the implementation of the Board's resolutions in relation to the Group's organisational structure, the definition of responsibilities, and the allocation of tasks and functions.

The Company has documented internal procedures that ensure the proper performance of the assigned functions.

- 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 of Directors, the purpose of which is to define the principles and rules of conduct within the scope of the Securities Markets. The personnel subject to the aforementioned Code are aware of it and understand it, and a copy is available on the corporate website and on the CNMV website.

Since its initial drafting, this Code has been adapted to all legislative or other amendments as required, with its current version approved at the Board of Directors meeting held on 20 June 2022 and notified to the CNMV.

Additionally, the Company has procedures in place that establish guidelines for conduct as well as the handling of 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 Whistleblower Protection System incorporates the implementation of a whistleblowing channel through which both the Organization's staff and external parties, including suppliers, former employees, family members, investors, or customers, can submit suggestions or make recommendations on any matter related to the Group, as well as report compliance irregularities or process complaints about illegal activities or suspicions thereof.

Communications and reports submitted through this channel for these purposes may be anonymous or identified at the discretion of the author, and will in all circumstances be treated as strictly confidential.

- 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 the preparation and review of Financial Information and those entrusted with the evaluation of the Internal Control Systems participate in training and periodic update programs on accounting standards, internal control, and risk management.

These training plans are mainly promoted by the area managements, with the People Department (RHH responsible for their supervision and guidance.

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 the management of corporate risks, the Company has designed a risk map of the most relevant processes in the determination of Financial Information. The document is based on the model proposed by the COSO Report and is continuously updated within the Internal Supervision Plan.

This document establishes, among other aspects, that corporate risk management is a process assumed by the Board of Directors and its Specialized Committees, the Management, and the rest of the Company's personnel, and its basic function is the identification and evaluation of potential events that could jeopardize the achievement of the set objectives.

- 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 primarily aimed at achieving the Company's objectives from the perspective of Financial Information, and within the ongoing process of evaluating these risks, the verification of compliance with the following principles is included:

- Integrity
- Proper recording
- Correct valuation
- Appropriate cut-off of transactions
- 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 is focused on assessing the risk of achieving objectives related to the Financial Information category. However, the evaluation process includes objectives of all kinds and regulatory compliance. Within these operational and compliance objectives, the assessment of risks related to environmental, quality, knowledge, development, industrial/intellectual property, and reputational matters is included.

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-Year Financial Information, in accordance with the authority delegated to this body by the Board of Directors.

The Board of Directors is the body that decides, following the Audit Committee's report, the terms of the financial information that the Company must make public.

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

General Management presents the economic-financial information for the period to the Board of Directors at least monthly.

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 and disseminated internal procedures and policies regarding the operation of Information Systems and access security, segregation of duties, as well as the development or maintenance of software applications.

The management of access to Information Systems is assigned to the Information Systems Department, which has adequate human and technical resources for its proper execution, following the established organisational guidelines.

Regarding control mechanisms for data recovery and ensuring operational continuity, the Group has a Contingency Plan that is continuously reviewed and updated.

The annual Internal Control review conducted by the Group's external auditors includes verification of the controls of the Information Systems.

- 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 carried out for the preparation and publication of the Financial Statements are performed by Internal Services, as well as other processes that may be relevant for the preparation of such Financial Information.

Verification, auditing, evaluation, and other services affecting various activities are, depending on their nature, carried out at the established frequency by external services, such as the Non-Financial Information Statement and the Board of Directors' Evaluation, among others, and on industrial activity in specific matters.

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 defining and keeping updated the accounting policies applicable to the Group, as well as for keeping informed the managers of the different areas involved and resolving doubts or conflicts regarding their interpretation.

The applied accounting policies are based on the regulatory framework established in the Commercial Code, the current General Accounting Plan, and other commercial legislation, as well as the International Financial Reporting Standards, the Community Directives transposed into national legislation, and the various 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 Information Systems are largely supported by an integrated corporate application (ERP) that allows centralized and coordinated management of different areas such as production, sales, purchasing, logistics, inventory and warehouse control, accounting, payroll, etc., and provides reliability to the processes and an adequate level of security over the integrity, reliability, and consistency of the Financial Information obtained.

The affiliated companies that are part of the Group's Consolidation in Spain follow a single, homogeneous Chart of Accounts. The information is processed by the integrated management system, which allows the automatic capture of Financial Information and its preparation by the Corporate Accounting Department. The companies not integrated into this IT system, associated companies, and some foreign companies adhere to the principle of maximum homogeneity and, additionally, the Group has implemented control measures that guarantee the financial data collected by these companies is complete, accurate, and timely in both content and format.

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.

Among the functions entrusted to the Audit Committee is the evaluation of the correct design, implementation, and effective operation of the Company's processes, as well as the Risk Management and Internal Control Systems, including the SCIIF.

The Committee also approves the annual work plan and carries out its periodic monitoring. In its meetings, it analyses the evaluations and recommendations issued by the control service and, where applicable, proposes corrective measures and assesses 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 maintains regular communication with the External Auditor and the Internal Supervision Services. It is responsible for keeping the Board of Directors informed about the matters discussed and the actions undertaken.

During meetings with the Auditor, the latter informs the Committee of the work program and their conclusions regarding internal controls carried out during the review of the Annual Accounts.

The Committee oversees the activities performed and monitors compliance with the agreed action plans to address any identified control weaknesses.

The Finance Department maintains frequent communication with the Auditor to review the measures implemented to prevent or rectify any observed weaknesses.

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 implemented provide sufficient assurance of the quality of its Financial Information and reports this in all communications where it is appropriate to do so.

G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

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 regarding its communication policy that comply with current legislation and ensure appropriate treatment of each information recipient. These rules are included in various regulatory texts published on the corporate website.

The dissemination of information through the media is managed by an external agency. Prior to dissemination via this channel, the information to be made available to the market, investors, and other stakeholders is rigorously reviewed internally by the Company to ensure it is clear and truthful.

Additionally, the Company holds meetings with stakeholders who request them in order to clarify and explain the information disclosed through the various channels, relying on a single, centralized internal spokesperson who manages communications with financial analysts, investors, and other interest groups.

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 [X]

Explain []

The Company prepares most of the reports referred to in this Recommendation on an annual basis; although they are not published on the website, they are available to shareholders.

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 [X]

Explain []

The Company's General Shareholders' Meeting Regulations establish that, when the possibility of attending the General Meeting by telematic means is agreed in accordance with legal provisions, the Board shall:

1. Put in place the appropriate procedures to ensure that the Company and attendees at the meeting can make use of all electronic means that facilitate effective communication and participation (to exercise their rights both prior to and during the Meeting in real time, and to follow the interventions of other attendees), with such means in all cases ensuring the identity and legitimacy of shareholders and their representatives.
2. Provide, where appropriate, information regarding the systems that enable remote attendance or monitoring of the General Meeting through the established telematic means, along with any other information considered convenient and useful for shareholders in this regard.
3. Determine all necessary aspects to ensure the orderly conduct of the meeting within the framework of the law.

For all the above reasons, at present, the Company does not currently consider it necessary to broadcast the General Meetings live via its website, as it maintains a preference for the in-person format, which it believes to be the most effective method of participation for attendees and allows for annual contact between investors, the Board of Directors, and the Company's Senior Management.

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 [X]

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 [X]

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:
- a) Is specific and verifiable.
 - b) Ensures that appointment or re-election proposals are based on prior analysis of the board's required competencies.
 - c) 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 [X]

Explain []

The Board diversity policy followed by the Company complies with the requirements indicated in sections a), b), and c).

The selection process is aimed at ensuring that the members of the Board of Directors possess the necessary experience and knowledge to carry out their duties and responsibilities, and that they provide the appropriate specialisation to support the various committees established by the Board.

This selection process must accomplish with the Company's core principles, thereby avoiding any form of discrimination on the grounds of age or gender; compliance with this is verified and endorsed 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 [X]

Explain []

The Company complies with the first part of the recommendation, as the number of Executive Directors, currently one, constitutes the minimum number of Directors.

The Proprietary and Independent Directors, three and four respectively, therefore constitute a broad majority on the Board of Directors.

Currently, the Board of Directors includes two female Directors, who represent 20% of the Board's members. The objective established by the Company, in line with regulations, is that female Directors represent at least 40% of the total members of the Board. To achieve this objective, the Human Resources, Appointments and Remuneration Committee must ensure that the selection procedures are free from implicit biases that could result in any form of discrimination, including gender-based discrimination. Therefore, when vacancies arise, at least one woman who meets the required professional profile must be included among the potential candidates, without prejudice to the essential criteria of merit and ability that must govern such 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:

- a) In large cap companies where few shareholdings attain the legal threshold to be considered significant.
- b) 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 [X] 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 [X] 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 [X] 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 [X] 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 [X]

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 [X]

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 [X]

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 [X]

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 [X]

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 ☒ X]

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 ☒ X]

Explain ☐]

Not applicable ☐]

The powers granted to the Company's Lead Director are those provided for in the applicable legislation

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 ☒ X]

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 ☒ [X]

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 ☒ [X]

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 ☒ [X]

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 ☒ [X]

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 [X]

Explain []

The Company's organisational structure provides assurance for the supervision of the Information Systems and Internal Control, and is complemented by the SCIIF Control and Criminal Risk Prevention Service, which supervises the aforementioned Information 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 [X]

Explain []

Not applicable []

The SCIIF Control and Criminal Risk Prevention Service, defined in accordance with the organisational size of the Company, falls within the scope of recommendation 40 and, in its control function, submits its annual work plan to the Audit Committee for approval, informs the Committee of its execution—including any incidents and limitations encountered during its development—of the results, and of the follow-up of its recommendations; a biannual activity report is also submitted to the Committee for its consideration.

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 [X]

Partially compliant []

Explain []

4.3. 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 [X]

Partially compliant []

Explain []

4.4. 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 [X]

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 ☒ [X]

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 [X]

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 [X]

Partially compliant []

Explain []

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

- a) Propose to the board 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 [X]

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 [X]

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 ☒ 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 ☒ 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 [☐]

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 [☒]

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 [☐]

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 ☐ []

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 ☒ [X]

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 ☒ [X]

Explain ☐ []

Not applicable ☐ []

The Company has only granted stock options. These share options are personal and non-transferable and may not be sold. Allocated options must be held until the end of the 5-year vesting period. Only once the shares are vested are they freely disposable.

The Company is considering the adaptation in the regulation of the instrument that is decided from time to time, where the requirements set out in the second part of the recommendation are incorporated.

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 ☒ [X]

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 presented correspond to those reported by the holder to the CNMV and to the Company and, where applicable, once adjusted for any corporate actions that may have taken place. For this reason, the reported values may not exactly reflect the actual shareholding.

It is also noted that where information provided to the Company by an indirect holder includes data relating to direct holdings, it is this combined information that is reported.

In accordance with the Instructions for completing this report, only direct holders whose stake exceeds 3% of total voting rights (1% if the holder is resident in a tax haven) are identified, and therefore discrepancies may exist between the total indirect shareholding and the sum of the disclosed direct holdings.

H

Both the full texts referred to in this Report regarding the Company's regulations and all other information published by Miquel y Costas & Miquel S.A. in Spain are available on the Company's corporate website (www.miquelycostas.com) and on the website of the Spanish National Securities Market Commission (www.cnmv.es).

The Company has not adhered to the Code of Good Tax Practices, dated 20 July 2010.

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

31/03/2025

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

☐ Yes

☒ No