

Consolidated Management Report 2024



*Reshaping food and wellbeing.
For many, for long.*



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Letters from the Chairman and CEO

JOSE DOMINGO DE AMPUERO Y OSMA,
CHAIRMAN



We have concluded the 2024 financial year with the best results in our history. Our business model successfully adapted to an adverse and infrequent scenario such as the inventory adjustment process carried out by customers around the world in the second half of 2023 and the early months of 2024 as a result of the imbalances that occurred in an economic environment of great volatility, the narrowing of supply chains and rising prices in production inputs that occurred in previous years.

These changes in the environment have not diverted us from our long-term growth and transformation objective, which are the basis of our Beyond25 strategic plan, by means of which Viscofan aims to have a greater impact on the food and well-being of millions of people around the world.

In this regard, in 2024 we successfully completed a multitude of projects, of which I would like to highlight the inauguration of the new production plant in Thailand, which strengthens our presence in Southeast Asia, and the acquisition of Brasfibra's companies in Brazil, which will provide new opportunities for growth in New Business.

This transformation has been accompanied by growth, profitability and cash generation that we have shared with our shareholders by increasing dividend remuneration. New this year is the "Viscofan flexible dividend" scheme, which allows shareholders to choose between receiving cash or new shares in the company. This has been accompanied by share buyback programmes and the corresponding capital reduction that prevents dilution of the stake of shareholders who have opted for cash.

Shareholders received ordinary remuneration equivalent to €2.01 per share, to which an additional €1.00 has been added as an extraordinary dividend, placing the total remuneration charged to the results of the year at €3.01 per share. This is 54% more than in the previous year, to which is added the performance of the share price, which grew by 14% in the year.

After an exceptional financial year such as the one presented in these financial statements, the Board of Directors has proposed for approval at the General Shareholders' Meeting the distribution of an higher ordinary dividend, estimated at the equivalent of €2.10 per share and the distribution once again of an extraordinary dividend equivalent to €1.00 per share. This will place total remuneration at €3.10, marking a new all-time high in the distribution of results, without compromising the usual strength of our balance sheet. In addition, we will continue with the flexible dividend scheme, including share buybacks and capital reductions to prevent dilution for our shareholders.

On the verge of our 50th anniversary as a company, I believe that we are at the best moment in our history. I would like to thank the excellent team that makes Viscofan's extraordinary work as a company possible, and you, the shareholders, for your support and trust.

Thank you very much

JOSÉ ANTONIO CANALES,
CEO



This year has been a one of special significance. We have returned to the path of growth, particularly in the second half of the year, and we have done so with sufficient commercial and operational discipline to recover part of the margins we lost in the years of high cost inflation while protecting, if not improving, the market share in our main casing families. All this in a year that has not been easy, whether due to the competitive environment or the operational challenges that have led us to make adjustments to continue improving our competitiveness.

We have attained historic economic results: growth in volumes has been accompanied by increases of 6% in EBITDA and 11% in net profit, with operating margins that are close to the medium-term profitability objectives set out in our Beyond25 strategic plan.

A company that has improved not only in its economic results, but also in its competitive, operational and sustainability positioning.

Our commercial proposition and competitive positioning improved this year with the opening of the production plant in Thailand. This plant is our first in the region, with the capacity to carry out the finishing phase of cellulose and collagen casings and it has, from the start, the most advanced digital solutions. With Thailand we offer an unparalleled geographical positioning in the entire industry. Not only will we boost our service and growth in Southeast Asia, but we will expand our own industrial and commercial presence to 21 countries on four continents from which we serve customers in more than 100 countries around the world.

In the field of New Business, I would like to highlight the acquisition of Brasfibra and Master Couros in Brazil. A company that offers a range of collagen-derived products that offer very attractive solutions with significant growth potential.

This 2024 was also a year in which we sharpened our focus on our own organisation. As investment needs have diminished, we have allocated resources to operational and efficiency improvements, which have positioned the plants with great production potential. Here, I would like to highlight the results of the plants in the United States following the technological renovation of recent years. It will allow us to service our American customers from their own country at a competitive cost.

I cannot fail to highlight the progress we have made in sustainability, where we are pursuing a consistent path in line with our commitment as signatories of the United Nations Global Compact. In particular, quite significant progress in decarbonisation, efficient use of resources and improvement of the social pillar is being made. This is happening not only in our own operations, but we are also being stricter in our demands on the value chain. In this regard, noteworthy is the transformation of our largest production plant in Cáseda (Spain) to a more diversified and decarbonised energy model, which includes the use of biomass, renewable electricity and even green hydrogen when available as an energy source.

For 2025, the final year of our Beyond25 strategic plan, the priorities are clear: lead growth in the market, especially the transition from animal to collagen casings; make a qualitative and quantitative leap in New Business; and maintain the spirit of continuous improvement, efficiency and profitability, with the aim of reaching new all-time highs in revenue, EBITDA and net profit.

There is no better company than Viscofan to successfully tackle these challenges. These are the achievements of an exceptional team, with more than five thousand people with whom I share the enthusiasm and commitment to transform an industry that is the basis of the well-being and nutrition of millions of people and that is ready to pursue new goals with daring and total confidence in our potential.

Thank you very much for your support and trust.

Financial and management results

Business performance

In 2024, the recovery of the casing market of the Traditional Business was confirmed. With an estimated growth of 3% in volumes, the inventory adjustment process that began in 2023 came to a close. The main casing technologies ended the year with growth in volumes, particularly collagen casings, whose growth has been in the high range of its historical average, reflecting the good timing of the replacement of animal casings being led by Viscofan.

For its part, the New Business division has been influenced by lower revenues in plastics technology against a backdrop of increased competition where the decrease in raw material costs has been quickly passed on to market prices. Nevertheless, is worth highlighting the good performance of spice transfer products and the recovery in the second half of the year of collagen hydrolysates and vegetable casings, where we are still far from the potential productive capacity.

The recovery in the Traditional Business and in the New Business contrasts with the weakness of revenues from the sales of co-generation energy in a context of lower prices and electricity production.

The pressure on prices in the main production inputs that occurred in 2023, together with lower sales volumes, led to operational activity focusing on improving production efficiencies, on costs control and on reducing inventories. In this way, Viscofan has been prepared to improve operating profitability in the context of the moderation in the price of raw materials and energy in Spain that occurred in 2024.

One of the catalysts for this improvement has been the greater production efficiencies achieved in North America with the new cellulose casing technology at the Danville plant and in collagen casings at the New Jersey plant, thereby reversing the trend of diminishing competitiveness that these plants were showing in recent years.

In operations, also worth highlighting are the activities aimed meeting the objective of inventory reduction implemented throughout the year, with a focus on the optimisation of production capacity, strategic allocation of inventories from the EMEA region to other geographical areas and specific projects in spare parts. Thus, the ratio of

inventories at the end of December 2024 to revenue for the year decreased by 3.0 p.p. compared to the previous year. Together with the higher operating profit, this allowed for considerable increase in cash generation.

In the field of investment, Viscofan made satisfactory progress in the Beyond25 plans set for the 2024 financial year. The most significant was the construction and commissioning of a new converting plant for cellulose and collagen casings in Rayong, Thailand. This new plant allows us to gain greater proximity to and improve the service to Southeast Asia, one of the markets with the best growth prospects, encompassing a population of more than 650 million people.

As part of the organic growth plans of the New Business division, work is progressing at the San Luis de Potosi plant in Mexico on the installation of production capacity of bags for meat products to serve the North American market, the largest of this type of application.

This division also improved its capabilities in collagen-related products thanks to the acquisition in September 2024 of Brasfibra and Master Couros in Brazil, thereby reinforcing our hydrolysate proposition, the use of collagen as a food ingredient and the development of collagen products in pet food. These Companies were incorporated into the consolidation perimeter by global integration in the fourth quarter of 2024 and contributed €2.4 million to revenue and €0.9 million to EBITDA in this period.

Viscofan also made progress in the sustainability action plan, where the initiatives implemented have allowed the Group to meet by 2024 the targets set for 2030 of a 30% reduction in the intensity of scope 1 and 2 GHG emissions on extruded metres, a 10% reduction in the intensity of water withdrawal on extruded metres, and a 50% reduction in the severity index, while the other targets are on track to being fulfilled.

Thus, Viscofan has raised its ambition in the fight against climate change, and in December 2024 the Board of Directors approved a Net Zero Plan for scope 1 and 2 GHG emissions by 2050. This plan has an intermediate target in 2030 of absolute emission reductions in a range of 45% to 50%.

Despite the lower consolidated revenue in 2024 (-1.8%) due to the decline in co-generation electricity sales in Spain, the Group's operational strength has allowed it to reach new all-time highs in the year in EBITDA and Net Profit with growth of 6.3% and 11.4%, respectively.

With the completion of the main organic transformation projects foreseen in the Beyond25 plan, the results have exceeded the achievement of the initially planned operating cash flows. Thus, and taking into account the financial strength and the expected expansion of future cash flows, the Board of Directors has approved submitting to the General Shareholders' Meeting a total remuneration of €3.10 per share for the 2024 financial year, an increase of 3.1% in shareholder remuneration compared to the previous year, consisting of an extraordinary remuneration of €1.00 per share, and an ordinary remuneration of €2.10 per share, equivalent to a distribution of 62% of the net profit attributable to controlling entity.

Summary of financial results Viscofan Group. ('000 €)

	Jan-Dec' 24	Jan-Dec' 23	Change
Revenue	1,203,994	1,225,787	-1.8%
EBITDA	285,334	268,400	6.3%
EBITDA margin	23.7%	21.9%	1,8 p.p.
Operating profit	201,540	184,686	9.1%
Net Profit	157,019	140,962	11.4%

Breakdown of net turnover (€000's)

	Jan-Dec' 24	Jan-Dec' 23	Change
Traditional Business	996,610	985,305	1.1%
New Business	147,326	151,521	-2.8%
Other energy income	60,058	88,961	-32.5%
Revenue	1,203,994	1,225,787	-1.8%

By geographic area

	Jan-Dec' 24	Jan-Dec' 23	Change
Europe, Middle East and Africa (EMEA)	508,482	531,317	-4.3%
Asia Pacific (APAC)	163,005	158,467	2.9%
North America	373,742	369,323	1.2%
South America	158,765	166,680	-4.7%
Revenue	1,203,994	1,225,787	-1.8%

Revenue:

In the cumulative figure up to December 2024, revenue came to €1,204.0 million, 1.8% lower than in the same period of the previous year due to the sharp 32.5% decline in energy sales, which with €60.1 million are impacted by lower electricity sales prices (an impact of €-16 million) and lower production (an impact of €-13 million).

In the Traditional Business, revenue grew by 1.1% vs. 2023 to €996.6 million, driven by the increase in volumes, and in New Business, revenue decreased by -2.8% vs. 2023, to €147.3 million.

In the year 2024, the fluctuation in exchange rates eroded the growth in the consolidated revenue by -0.3 p.p. and the changes in the scope of consolidation contributed +0.2 p.p.

The geographical breakdown of revenue in 2024 was as follows:

- EMEA (42.3% of the total): Reported revenue of €508.5 million, -4.3% lower than 2023, strongly influenced by sales of co-generation electricity in Spain, which fell by -35.6%. In like-for-like terms, revenue in the region decreased by -4.3% while,

excluding revenues from co-generation electricity, revenue grew by 1.3%.

- APAC: (13.5% of the total): Reported revenue was €163.0 million, +2.9% higher than in 2023 and +3.7% on a like-for-like basis.
- North America (31.0% of the total): Revenue amounted to €373.7 million, showing an increase of 1.2% and of 1.6% in like-for-like terms.
- South America (13.2% of the total): Revenue came to €158.8 million, a decrease of -4.7% compared to 2023 and of -6.2% in like-for-like terms.

Operating expenses

Consumption costs⁽²⁾ fell by -7.3% compared to 2023 to €390.4 million thanks to savings from production enhancements in new technologies, operational efficiencies, the decrease in the cost of natural gas in Spain and the lower price of raw materials. All this allowed for a widening of the gross margin^[4] by +1.9 p.p. vs. 2023 to 67.6%.

Personnel expenses for the whole of 2024 grew by 1.6% to €274.3 million. The higher costs due to wage inflation were offset by the -3.4% decrease in the average workforce to 5,163 people. The lower staffing requirements compared to the same period of the previous year related to the new technology installed in the United States, the adjustment of production levels, particularly in Europe, and the measures implemented throughout the Group have enabled this workforce reduction.

Aggregate Other operating expenses in 2024 were €267.4 million, a decrease of -4.8% compared to 2023. Of this, energy supply costs fell by -11.8% and transport costs by 5.2% compared to 2023.

Operating profit

The 2024 financial year was characterised by an improvement in operating profitability. The strategy of commercial discipline, the increase in production efficiencies, the decrease in energy and raw material costs and the favourable trends in currencies combined with the recovery of casing volumes in the second half of the year were reflected in the margin. Thus, the EBITDA margin for 2024 amounted to 23.7%, an improvement of 1.8 p.p. compared to the previous year.

Thus, EBITDA for 2024 grew by +6.3% to €285.3 million.

In like-for-like terms, i.e. excluding the impact of exchange rate fluctuations and changes in the scope of consolidation, EBITDA for 2024 grew by +3.6%.

Depreciation and amortization expense in 2024 remained virtually unchanged at €83.8 million (+0.1% vs. 2023). As a result, the cumulative Operating Profit up to December came to €201.5 million, 9.1% above 2023.

Financial position

In cumulative terms, the net financial result was positive at +€4.9 million with positive exchange differences of +€13.0 million and financial expenses of €10.4 million. This compares with a negative net financial result in 2023 of -€15.8 million, a period in which exchange differences were negative at -€9.7 million and financial expenses amounted to €6.9 million.

Net profit

Profit before tax in 2024 was €206.4 million and the corporate income tax expense was €49.1 million, bringing the effective tax rate to 23.8%, higher than the 16.5% of 2023, a period with special tax deductions associated with the impact of COVID19 in China and the tax change in Brazil, which provided tax benefits for exporting companies.

All in all, the Net Profit attributable to the controlling entity for 2024 amounted to €157.0 million, growth of +11.4% compared to 2023.

Net profit

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All in all, the Net Profit attributable to the controlling entity for 2024 amounted to €157.0 million, growth of +11.4% compared to 2023.

Investment

Investment in 2024 amounted to €71.0 million (€77.5 million in 2023), where the construction of the new cellulose and collagen casing converting plant in Thailand stands out. This plant was opened and commissioned on time and at budgeted cost in the fourth quarter of 2024. The figure for investments for the year also includes the installation of production capacity of plastic bags for meat products at the San Luis Potosí plant in Mexico, energy equipment as part of the decarbonization strategy and consumption efficiency, and recurring plant projects.

The breakdown by type of investment in 2024 is as follows:

- 34% of the investment was earmarked for investments in capacity and machinery.
- 35% of the investment was earmarked for improvements in sustainability, including energy equipment and the optimisation of the installations in terms of security, hygiene, and protecting the environment.
- 14% of the investment was earmarked for process improvements and new technology.
- The remaining 17% was spent on ordinary investments.

At year-end 2024, the investment commitments are €13.5 million compared to €28.9 million at year-end 2023.

Dividends and Shareholder remuneration

The Board of Directors of the Viscofan Group has resolved to propose to the General Shareholders' Meeting a profit distribution equivalent to a remuneration of €3.10 per share. Of which, €2.10 per share - equivalent to the distribution of 62% of net profit attributed to the controlling entity- is of an ordinary nature, and €1.00 per share is of an extraordinary nature arising from the generation of operating cash flows that were higher than envisaged in the Beyond25 strategic plan.

In this way, shareholder remuneration consists of:

- An interim dividend of €1,437 per share (paid on 19 December, 2024).
- The proposed ordinary final dividend of €0,653 per share and extraordinary final dividend of €1.00 per share under the optional dividend system in cash or shares "Viscofan Flexible Remuneration" in a lump sum payment expected in June 2025.
- A bonus of €0.01 per share for attending the General Shareholders' Meeting.

The proposed total and ordinary distribution is 3.1% higher than the previous year's total remuneration of €3.01 per share, and 4.7% higher than the proposed ordinary distribution of the previous year.

In turn, the Board of Directors has approved submitting to the General Shareholders' Meeting the possibility of flexible remuneration with which shareholders can decide whether they prefer to obtain new shares in a paid-up capital increase or cash remuneration. Furthermore, in order to avoid dilution of shareholders who do not participate in the capital increase, the Board plans to redeem the treasury shares necessary to keep the number of outstanding shares stable.

Equity

The Group's equity at 2024 year-end amounted to €938.9 million, down 2.0% on the end of the previous year, due to the increased negative translation differences originating from the consolidation of the subsidiaries whose currencies depreciated significantly against the euro in 2024 (mainly Brazil) and the distribution of an extraordinary dividend in the year.

Treasury shares

At 31 December 2024, the company had 690,795 treasury shares representing 1.49% of the voting rights valued at €35.0 million.

During this period, the Company acquired, in use of the powers vested in it by the General Shareholders' Meeting, a total of 1,560,966 treasury shares.

Subsequently, within the framework of the first edition of the flexible remuneration programme approved by the General Shareholders' Meeting, the Company received 37,138 own shares. Under this programme, all shares were delivered by means of a share capital increase involving 675,954 shares, and a capital reduction was carried out through the redemption of 675,954 treasury shares in order to avoid share dilution among those shareholders who did not take part in the capital increase.

Subsequently, within the framework of the second edition of the flexible remuneration programme approved by the General Shareholders' Meeting, the Company received a total of 24,659 own shares. Under this programme, all shares were delivered by means of a share capital increase involving 662,369 shares, and a capital reduction was carried out through the redemption of 662,369 treasury shares in order to avoid share dilution among those shareholders who did not take part in the capital increase.

Moreover, in 2024, a total of 12,740 treasury shares were delivered to Viscofan personnel within the framework of the company's variable remuneration plans.

At 31 December 2023, Viscofan, S.A. held a total of 419,095 treasury shares representing 0.90% of its voting rights, for a value of €21.7 million.

Financial liabilities

	Dec 2024	Dec 2023	Change
Net Bank Debt *	146,854	137,963	6.4%
Liabilities for right-of-use assets	11,849	11,541	2.7%
Other net financial liabilities**	35,063	31,157	12.5%
Net Financial Debt	193,766	180,661	7.3%

* Net bank debt = Non-current bank borrowings + Current bank borrowings - Cash and cash equivalents.

** Other net financial liabilities consisting mainly of loans with an interest rate subsidised by entities like the CDTI and the Ministry of Economy, as well as debt with netted fixed asset providers for other current financial assets.

The net financial debt is the equivalent of 20.6% of the equity, with a leverage level that is sufficient to be able to attend to all Viscofan's liquidity needs.

Changes in the scope of consolidation

Details on the changes in the scope of consolidation carried out during the year are available in Note 2 of the Consolidated Financial Statements of the Viscofan Group.

Outlook for 2025

Viscofan expects to continue to achieve record results with growth in the main financial figures of revenues, EBITDA and net profit.

In this context, Viscofan expects to grow in revenue by between 5% and 8%, between 8% and 12% in EBITDA, and between 6% and 10% in Net Profit in 2025, with investments totalling approximately €75 million and a €-USD exchange rate of 1.05.

Net bank debt⁽³⁾ at the end of the 2024 financial year was €146.9 million, higher than the €138.0 million at the end of the previous year 2023 due to the increase in shareholder remuneration that includes the payment of €60.1 million in June and December to shareholders who have chosen to receive the cash dividend, and the share buyback of €90.7 million carried out within the framework of the flexible shareholder remuneration programme.

In addition, Viscofan also made the payment of €7.2 million within the framework of the agreement to acquire 60% of the share capital of the companies Brasfibra and Master Courous.

In addition, based on IFRS 16, which requires most non-cancellable operating leases to be recorded on the balance sheet as an asset for the right of use and a liability for the future amounts payable, the breakdown of net financial debt is as follows:

Hechos posteriores

The Board of Directors, at its meeting held on 27 February 2025, agreed to propose to the Shareholders' Meeting a gross amount of the Supplementary Dividend of €1.653 per share. Consequently, considering the amount of the 2024 Interim Dividend of €1.437 per share and bonus for attendance at the General Shareholders' Meeting of €0.01 per share, the total remuneration for shareholders to be received will be €3.10 per share. Of the aforementioned estimated amount of €3.10 per share, €2.10 corresponds to the increasing ordinary remuneration that the Board of Directors has been proposing to the General Shareholders' Meeting in recent years (€2.006 per share charged to the 2023 financial year), while the additional euro per share to reach the total estimated amount would be extraordinary in view of the current market and Company conditions.

The ordinary distribution proposal is 4.7% higher than the previous year's remuneration of €2.006 per share.

The payment of the Complementary Dividend is expected to be made in June 2025.

Likewise, on February 27, 2025, the Board of Directors of Viscofan, S.A. has agreed to launch a buy-back program for treasury shares (the "Buy-back Program") in use of the powers granted by the General Shareholders' Meeting held on April 27, 2023 under item eleventh on the agenda.

In this regard, the Buy-Back Programme is approved and implemented in the context of the proposal that the Board of Directors intends to submit for approval at the next meeting of the Company's General Shareholders' Meeting in relation to the establishment of a flexible remuneration programme that allows shareholders to be offered the possibility of receiving their remuneration in cash (through the receipt of the corresponding dividend) or in shares released from a new issue by the Company (through the corresponding paid-up capital increases that will be submitted for approval by the aforementioned General Meeting) (the "Flexible Remuneration Program").

In order to avoid the dilution of shareholders who do not participate in the capital increase, the Board plans to redeem the treasury shares necessary to keep the number of shares outstanding stable.

In addition, in February 2025 Viscofan do Brasil Sociedade Comercial e Industrial Ltda. acquired 51% of Pet Mania Comércio Internacional Ltda, a Brazilian company dedicated to the production and marketing of pet treats for a cash value of R\$34 million.

Alternative Performance Measures

The Viscofan Group has included in this report various Alternative Performance Measures (hereinafter APMs), as established in APM Guidelines published by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415es) and adopted by the National Securities Market Commission (the CNMV).

This involves a series of measures designed using the financial information of Viscofan S.A., and its subsidiary companies, and they are complementary to the financial information drawn up in agreement with International Financial Reporting Standards (IFRS). Under no circumstance should they be assessed separately or considered a substitute.

They are measures used internally in decision making processes and which the Board of Directors decides to report externally as it considers they provide additional information that is useful in the analysis and assessment of the Viscofan Group's results and its financial situation.

The APMs included in this report are as follows:

The EBITDA, or operating profit before depreciation and amortization, is calculated excluding depreciation and amortization costs from the operating profit. The EBITDA is a measure that is commonly reported and widespread among analysts, investors, and other stakeholders in the casing industry. The Viscofan Group uses this measure to monitor the business' development and to establish operational and strategic objectives in Group companies. However, it is not a defined indicator in IFRS and, therefore, it may not be compared with other similar indicators employed by other companies in their reports.

Cost of consumption: This is calculated as the net amount of supplies plus the change in finished and unfinished products. Management monitors cost of consumption as one of the main cost components for Viscofan. The weight of net revenue for this cost component on revenue or gross margin is also analyzed to study the operating margin's development. However, it is not a defined indicator in IFRS, and cost of consumption must not be considered a substitute for the different items in the profit and loss account that comprise them. Furthermore, it may not be compared with other similar indicators employed by other companies in their reports.

Net bank debt: This is calculated as non-current borrowings plus current borrowings netted from cash and cash equivalents. Management considers net bank debt to be relevant to shareholders and other stakeholders as it provides an analysis of the Group's solvency. However, net bank debt should not be considered a substitute for gross bank debt in the consolidated balance sheet, nor other liability or asset items that may affect the Group's solvency.

Like-for-like revenue and EBITDA: This measure excludes the impact of exchange rate variations on the comparable previous period and the non-recurring impacts of the business to present a homogeneous comparison of the Viscofan Group's development. However, like-for-like

revenue and EBITDA are not defined indicators in IFRS and, therefore, they may not be compared with other similar indicators employed by other companies in their reports, nor may they be considered a substitute for the business development indicators defined in IFRS.



[1] Revenue by origin of sales: EMEA (Spain, Germany, Czech Republic, United Kingdom, Belgium, France, Serbia), North America (Canada, Costa Rica, Mexico and the United States), APAC (Australia, China, Japan, New Zealand, Thailand), Latin America (Brazil and Uruguay)

[2] Like-for-like: Like-for-like growth excludes the impact of exchange rate fluctuations in 2024 and the non-recurring operating profit expense of €1.9m due to production stoppages in the US in 3Q23 as a result of power outages caused by the utility company.

[3] Consumption costs = Consumables +/- Changes in inventory of finished goods and work in progress.

[4] Gross margin = (Revenue - Consumption costs)/Revenue.

[5] Net bank debt = Non-current bank borrowings + Current bank borrowings - Cash and equivalents.

Stock market performance

Stock markets and Viscofan's performance

In the 2024 financial year, global GDP growth was 3.2% and is expected to be 3.3% in 2025 and 2026, according to the forecasts of the International¹ Monetary Fund, rates that are below the historical average of 3.7% (2000-2019).

A year in which the backdrop continues to be marked by war and geopolitical tensions, the process of moderation in inflation, although with some resilience in food prices, the relaxation of the monetary policies of the main central banks with decreases in interest rates and the effect of the disruption of artificial intelligence on the economy and stock markets.

An economic situation that is leading to divergent performance in the main regions. In the United States, growth in the second half of the year stands out, driven by strong consumer spending on the back of rising household disposable income, in a context of less restrictive monetary policy and favourable financial conditions. In addition, in China the situation is impacted by the slowdown in domestic consumption amid the stabilisation of the real estate market. In Europe the situation remains weak, weighed down by the slowdown in industrial activity, an environment of political uncertainty, despite the recovery of consumer spending after the improvement in real incomes.

In exchange rates, noteworthy was the appreciation of the US dollar against the euro in the closing months of the year driven by the political change in the United States, expectations of new tariffs and higher interest rates.

The lower interest rate environment has favoured the main stock market indices, which have closed the year with gains. In the United States, the S&P 500 index gained 23.3% in 2024, and in Europe the Euro Stoxx 600 gained 6.0%, the German DAX gained 18.8%, and in Spain the Ibex 35 gained 14.8%.

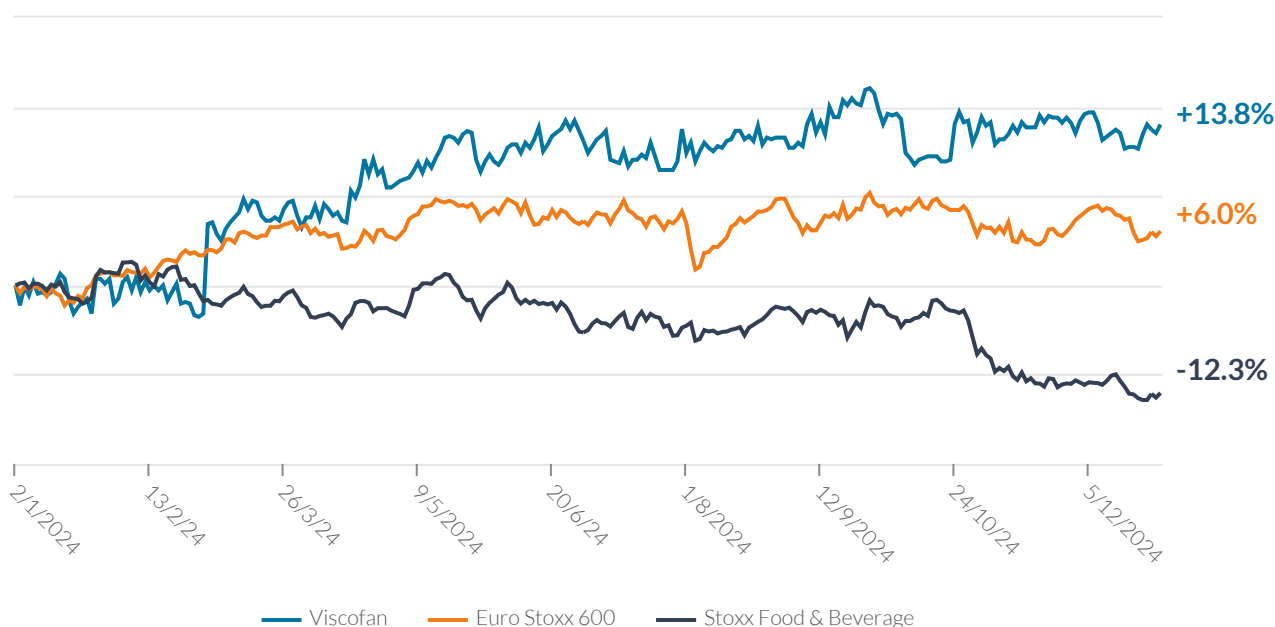
In contrast, the food sector, of which Viscofan is a member in Europe (Euro Stoxx Food and Beverage), has fallen by 12.3%, partly impacted by persistent food price inflation, while the year saw the drawing to a close of the inventory adjustment process seen in the previous year.

In this context, global demand for casings has recovered and Viscofan, as the market leader, has capitalised on this situation in a year characterised by improved operating profitability and higher cash generation. Hence, Viscofan closed the year at €61.00 per share, an increase of +13.8% and +19.5% if the dividends paid in the year are taken into account.

The average daily market price in the year was €59.34 per share and Viscofan's market capitalisation stood at €2,837 million at the end of 2024.

In addition, 10.3 million Viscofan shares were traded on the Spanish continuous market during the year, with cash traded of €612 million, equivalent to a daily average of €2.4 million.

¹ World Economic Outlook Update Report published in January 2025

Euro Stoxx600, Stoxx Food & Beverage and Viscofan in 2024

*Graph on a baseline of 100 since 29 December 2023

Viscofan shares

Viscofan's share capital consisted of 46,500,000 shares of €0.70 par value each, of the same class and fully paid-in.

Viscofan's shares are admitted to trading on the Spanish stock markets, listed on the continuous market, since the company's exit from the stock market in December 1986.

It is listed on the Madrid Stock Exchange General Index (IGBM) and forms part of the Consumer Goods segment, within the Food subsector, the Ibex Mid Cap and at European level to the Euro Stoxx Food and Beverage index and the Stoxx Europe 600 index.

Also, Viscofan is part of the IBEX ESG, created by the BME (Spanish Stock Exchanges and Markets) to promote sustainability.

Dividend

Throughout the different strategic plans, the Viscofan Group has built a sound and flexible business model. This characteristic entails the creation of cash flows that allow investment projects to be carried out in order to improve value creation, which is shared with shareholders in cash and at the same time maintaining a sound balance sheet structure.

Accordingly, the Board of Directors of the Viscofan Group has resolved to propose to the General Shareholders' Meeting a profit distribution equivalent to a remuneration of €3.10 per share. Of which, €2.10 per share - equivalent to the distribution of 62% of net profit attributed to the controlling entity - is of an ordinary nature, and €1.00 per

share is of an extraordinary nature arising from the generation of operating cash flows that were higher than envisaged in the Beyond25 strategic plan.

In this way, shareholder remuneration consists of:

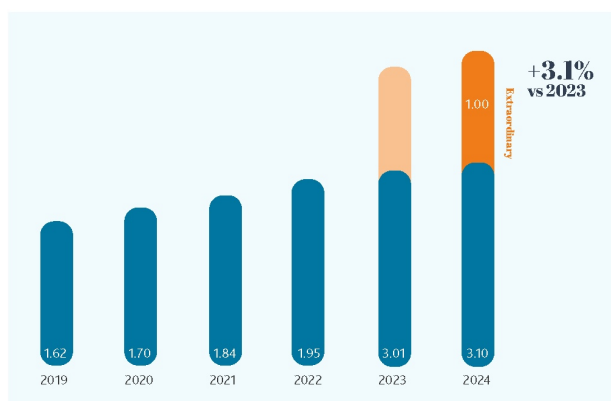
- An interim dividend of €1,437 per share (paid on 19 December, 2024).
- The proposed ordinary final dividend of €0,653 per share and extraordinary final dividend of €1.00 per share under the optional dividend system in cash or shares "Viscofan Flexible Remuneration" in a lump sum payment expected in June 2025.
- A bonus of €0.01 per share for attending the General Shareholders' Meeting.

The proposed total and ordinary distribution is 3.1% higher than the previous year's total remuneration of €3.01 per share, and 4.7% higher than the proposed ordinary distribution of the previous year.

In turn, the Board of Directors has approved submitting to the General Shareholders' Meeting the possibility of flexible remuneration with which shareholders can decide whether they prefer to obtain new shares in a paid-up capital increase or cash remuneration.

Furthermore, in order to avoid dilution of shareholders who do not participate in the capital increase, the Board plans to redeem the treasury shares necessary to keep the number of outstanding shares stable.

The trend in dividend per share in recent years is as follows



Viscofan, its shareholders and investors

One of Viscofan's objectives, through its Department of Investor and Shareholder Relations, Communication and Sustainability is to create value for the investor community by improving accessibility, the transparency of information and providing shareholders with relevant information of a financial and non-financial nature, on its strategy and on its operations to gain a better understanding of the company.

To ensure this information flow and to grant certainty to shareholders, markets and other stakeholders on the transparency and access to information, Viscofan has a Communication policy with shareholders, institutional investors, advisors on voting and economic-financial, non-financial and corporate information, defined in conformity with the good governance practices and recommendations applicable to listed companies.

Communication channels

Viscofan provides the investment community with a multitude of communication channels: presentations at seminars and events organised by the financial community, roadshows with institutional investors promoted by the company or by brokers, earnings presentations, the General Shareholders' Meeting, organised visits to Viscofan's head office, telephone calls to a dedicated investor and shareholder helpline, a special e-mail address, notifications and regular public information submitted to the CNMV (Spanish National Securities Market Commission).

Also, the information published on the website www.viscofan.com:

- In the Investor Relations section in which Viscofan makes the latest news, reports and quarterly presentations of results, annual report, share price performance and other information of interest, etc., available to the public.
- The Sustainability section details information on Viscofan's main commitments to the Sustainable Development Goals, sustainability indicators and the 2030 commitments set out in the Group's Sustainability Action Plan.
- Viscofan's Corporate Governance section publishes the information relating to the Board of Directors, committees, policies and regulations and other related information of interest.

Viscofan also maintains fluid communication with the financial markets, so that at the end of 2024 a total of 15 analysis companies, both national and international, are covering the company.

Bidirectional communication is important, since the questions and concerns of the financial community are taken into account and transmitted within the company, such as financial, strategy, sustainability and corporate governance matters.

In 2024, the most frequently asked questions were related to the following: the recovery of casing demand and the completion of the inventory adjustment process; the evolution of co-generation electricity revenues and New Business; the acquisition of the companies Brasfibra and Master Couros in Brazil; the performance of operating profitability and raw material and energy prices; sustainability projects at Viscofan and shareholder remuneration, among others.

Key stock market data developments

Share price €	Period Beyond25			Period MORE TO BE					
	2024	2023	2022	2021	2020	2019	2018	2017	2016
Year-end price	61.00	53.60	60.20	56.90	58.05	47.10	48.12	55.01	46.85
Maximum in the year	64.40	68.85	63.65	61.45	64.35	56.55	66.20	56.33	56.06
Minimum in the year	51.70	51.60	48.92	53.25	43.28	40.12	46.20	46.75	41.84

Viscofan's performance on the continuous market	Year-end 2024	Year-end 2023	Year-end 2022	Year-end 2021	Year-end 2020	Year-end 2019	Year-end 2018	Year-end 2017	Year-end 2016
% ann. change Viscofan	13.8%	-11.0%	5.8%	-2.0%	23.2%	-2.1%	-12.5%	17.4%	-15.8%
% annual change IGBM	14.1%	21.6%	-4.8%	7.1%	-15.4%	10.2%	-15.0%	7.6%	-2.2%
% annual change IBEX 35	14.8%	22.8%	-5.6%	7.9%	-15.5%	11.8%	-15.0%	7.4%	-2.0%
% Annual Change Euro STOXX 600	6.0%	12.7%	-12.9%	22.2%	-4.0%	23.2%	-13.2%	7.7%	-1.2%
% Annual change IBEX Medium Cap	11.7%	5.9%	-7.4%	8.6%	-9.7%	8.4%	-13.7%	4.0%	-6.6%
% annual change Food and Beverages IGBM sub-sector	11.4%	-3.2%	-0.7%	-1.6%	10.6%	1.8%	-8.4%	5.2%	-5.4%

Stock exchange trading data	2024	2023	2022	2021	2020	2019	2018	2017	2016
Capitalisation at year-end (Mn €)	2,836.5	2,492.4	2,799.3	2,645.9	2,699.3	2,190.2	2,242.6	2,563.7	2,183.4
Continuous market traded cash (Mn €)	611.6	663.0	763.3	1,135.8	1,561.8	1,230.5	1,669.1	1,995.2	2,707.1
Average per session (€Mn)	2.4	2.6	3.0	4.4	6.1	4.8	6.5	7.8	10.5
Traded shares	10,347,687	10,946,556	13,893,544	19,626,412	28,338,888	25,815,115	29,807,220	38,658,041	54,701,597
Daily average of traded shares	40,739	42,760	54,060	76,666	110,268	101,236	116,891	151,600	212,022

Ratios per share	Year-end 2024	Year-end 2023	Year-end 2022	Year-end 2021	Year-end 2020	Year-end 2019	Year-end 2018	Year-end 2017	Year-end 2016
Shares admitted to trading	46,500,000	46,500,000	46,500,000	46,500,000	46,500,000	46,500,000	46,603,682	46,603,682	46,603,682
Basic earnings per share (1)	3.45	3.05	3.02	2.87	2.63	2.27	2.66	2.62	2.68
Proposed ordinary remuneration per share (2)	2.10	2.01	1.95	1.84	1.70	1.62	1.60	1.55	1.45



Consolidated Statement of Non-Financial Information and Sustainability Information

1

General disclosures



1.1.1. Basis of presentation

This report explains the relevant aspects identified in the double materiality assessment based on the Viscofan Group strategy called Beyond25 and the new Sustainability Action Plan for the 2022-2025 period, and with a longer time horizon based on the 2030 commitments related to the United Nations Sustainable Development Goals, and on the goals set out in the European Green Pact to overcome the challenges of climate change and environmental degradation which, among others, seeks to achieve climate neutrality in the European Union by 2050.

General basis for the preparation of the sustainability statement and structure

ESRS 2 BP-1

The purpose of this Consolidated Statement of Non-Financial Information and Sustainability Information (referred to interchangeably as the report, sustainability report or sustainability statement) is to provide materially important sustainability information that may substantially influence the decision-making of stakeholders on the Viscofan Group (indistinctly referred to as "Viscofan Group" or "Viscofan"); Viscofan S.A., parent company of the Viscofan Group, (hereinafter referred to as the "Company") measures, monitors and manages the Group's performance, positive and negative impacts on the environment and people and the risks and opportunities that the latter may pose to Viscofan.

It is structured into four specific parts:

- General information
- Environmental information
- Social Information
- Governance information

This report covers the period corresponding to the Viscofan Group's fiscal year from January 1 to December 31, 2024. It was prepared by the Board of Directors of Viscofan S.A. on February 27, 2025.

This document has been prepared in accordance with Delegated Regulation (EU) 2023/2772 supplementing Directive 2013/34/EU of the European Parliament and of

the Council with regard to sustainability reporting standards.

Viscofan has not availed itself of any exemption from disclosure of imminent events or matters under negotiation, in accordance with Articles 19a(3) and 29a(3) of Directive 2013/34/EU.

Scope. Reporting company and value chain

ESRS 1 section 5.1

The scope of this report covers all the companies that are part of the Viscofan Group as at 31 December 2024, detailed in note 2 of the consolidated annual report, with the exception of the companies Brasfibra Industria e Comercio de Derivados do Couro Ltda. and Master Couros Industria e Comercio de Derivados do Couro Ltda, which were acquired in September 2024 with a 60% stake. It is a family business that is in the process of being integrated into the Viscofan Group's sustainability information and reporting systems and with a non-material contribution to the Viscofan Group's total (see note 2.1 of the Viscofan Group's consolidated annual report).

In addition, the materiality assessment detailed in section 1.1.4 of this ESRS and consequently the information in this report covers the materiality impacts, risks and opportunities related to the company through its business relationships upstream and downstream of the value chain. See description of the value chain in section 1.1.3.

Viscofan does not have any significant associates or joint ventures accounted for using the equity method that are part of the value chain.

Classified and sensitive information

ESRS 1 section 7.7

Viscofan has classified certain information as sensitive because it is considered secret, has a commercial value due to this nature and is subject to reasonable measures to keep it secret. On this basis, Viscofan competes globally with companies around the world that are not subject to sustainability reporting standards. Hence, the publication of such information could damage Viscofan's competitiveness and consequently the creation of value in a sustainable manner. The following is considered classified and sensitive information:

- ESRS E5. Exact breakdown of raw material consumption.

Disclosures in relation to specific circumstances

SRS 2 BP-2

Time horizons

ESRS 1 section 6.4

The time horizons used in the report, especially for the identification and quantification of incidents, risks and opportunities, coincide with those detailed in ESRS 1 section 6.4.

- 1) Short term: Reference period in the financial and sustainability statements
- 2) Medium term: From the end of the short-term reference period to five years later
- 3) Long term: More than five years

Estimation of value chain and sources of estimation and uncertainty of the result

ESRS 1 section 7.2

The preparation of the report in accordance with Delegated Regulation (EU) 2023/2772 requires the making of judgments, estimates and assumptions in the process of preparing quantitative information.

This section describes the main assumptions advanced about the future and other key sources of uncertainty in estimations made at the reporting date that have a risk of requiring adjustments within the following years. The Viscofan Group has based its assumptions and estimates on the parameters available when the report was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group.

Such changes are duly reflected in assumptions when and as they occur.

Scope 3 emissions

In the case of the calculation of Scope 3 emissions of Viscofan that affect upstream and downstream stages of the value chain, Viscofan has used emission factors from third-party databases in line with the provisions of the GHG Protocol in its estimation, which may undergo future modifications based on the updating of the analysis by the third parties. See description of these sources in ESRS E1 Climate Change, section 2.1.5.

Pollutants

For the quantification of the pollutants reported in the ESRS E2. Point 2.2.2. Viscofan has not used a direct measurement method due to the complexity and variability of industrial processes. As a result, it is difficult to make precise direct measurements at all times in a continuous process such as that of casings.

Importantly, as they rely on estimates, there is an inherent degree of uncertainty in the calculations. This uncertainty can arise from multiple sources, such as variability in operating conditions, model accuracy and the precision of historical data.

Information derived from other legislation

ESRS 1 section 8.2

In addition to Delegated Regulation (EU) 2023/2772 supplementing Directive 2013/34/EU of the European Parliament and of the Council, Viscofan has used the following sustainability regulations or standards in preparing this Sustainability Statement:

Law 11/2018, of 28 December, on non-financial information and diversity.

The United Nations Global Compact, of which Viscofan is a partner, has also been used as a reference. In this regard, it is also a progress report on the measures taken by the Group to implement the 10 Principles of the Global Compact, in line with the Global Compact reporting policy.

To contribute to improved climate change reporting, Viscofan has used the Task Force on Climate related Financial Disclosure (TCFD) as a reference, which recommends general elements on which the organisations must focus to manage climate change risks and opportunities, and the Carbon Disclosure Project questionnaire, which includes the TCFD recommendations.

Additionally, section 2.4 of this report complies with the information obligations established by Article 8 of Regulation 852/2020 of the European Union regarding the establishment of a framework to facilitate sustainable investments. This regulation is implemented by Delegated

Regulation 2139/2021, which establishes the technical selection criteria to determine under what conditions an activity will be considered to make a substantial contribution to climate change mitigation and adaptation objectives and Delegated Regulation (EU) 2023/2486 in the case of sustainable use objectives and to the protection of water and marine resources, to the transition to a circular economy, to the prevention and control of pollution or to the protection and recovery of biodiversity and ecosystems.

All of this, in accordance with Delegated Regulation 2178/2021, which implements the reporting methodology.

Incorporation by reference

ESRS 1 section 9.1

The following table shows which report disclosure requirements are incorporated by reference. These documents are part of the consolidated management report of the Viscofan Group and comply with the requirements established in ESRS 1 point 120.

ESRS number	Section	Document
ESRS 2 GOV-1	The role of administrative, management and supervisory bodies	Annual Corporate Governance Report
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	Annual Remuneration Report of the Board of Directors
ESRS 2 GOV-5	Risk management	Annual Corporate Governance Report



1.1.2. Governance

Viscofan adds a strategic value to its good corporate governance to provide a high level of trust to make its business goals and structure compatible with the protection of the rights of all stakeholders.

Good governance, due diligence statement and business conduct policies

ESRS 2 GOV-4, ESRS 1 section 4

Good corporate governance and due diligence are key factors to generate value, improve economic efficiency, integrate Business and bolster the trust of its shareholders and other stakeholders, thanks to the appropriate division of functions, duties, and responsibilities, among all the Company's governing and management bodies.

a) Integration of due diligence into governance, strategy and business model

ESRS 2 MDR-P

Viscofan's Business Conduct and Regulatory Compliance System is not only a matter of complying with the laws, but also a matter of values, an attitude that reflects a culture of shared values of tolerance and integrity that ranges from governance, management and oversight bodies to all the people who are part of Viscofan.

Viscofan aims for a continuous management process to identify, prevent, mitigate and respond to sustainability incidents and risks, both in the operations themselves and throughout the value chain. In the double materiality assessment reported in section 1.1.4 of this ESRS, the incidents and risks of relative importance have been identified, which in turn have been described in the corresponding thematic ESRSs.

This process arises from the establishment of Regulations and Policies, the basis being the Bylaws, the Regulations of the General Shareholders' Meeting, the Regulations of the Board of Directors and the Regulations of the Board Committees themselves.

Viscofan has general ethical principles and guidelines for action established in the Group's Code of Conduct and it sets out basic common guidelines on Human Rights that constitute the guiding principles of its activity in different areas of the organisation. Specifically, the policy of observance of Human Rights lays down basic commitments in:

- a) Prohibition of forced labour.
- b) Prohibition of child labour
- c) Elimination of discrimination in the workplace
- d) Respect for freedom of association and collective bargaining
- e) Elimination and prevention of harassment and violence
- f) Compliance with working conditions
- g) Promotion of occupational health and safety
- h) Environmental protection and pollution prevention
- i) Safeguarding confidentiality and right to privacy of its employees and Stakeholders
- j) Adopt appropriate measures as soon as possible in the event of detecting a violation of human rights in the facilities, centres or places where the companies of the Group or its business partners carry out their activities and inform the competent public authorities of this in the terms derived from the applicable regulations in this regard.

Sustainability Policy

In addition, the commitment to good governance on the part of the Company's Board of Directors is expressed in its General Sustainability Policy, as amended and approved by the Board of Directors in December 2024 with the aim of adapting its content to regulatory changes in the field of sustainability in recent years.

The purpose of the policy is to establish the basic principles and commitments that must govern the Group's sustainable development strategy based on the following pillars:

- General Due Diligence Duties
- Respect for human and labour rights, diversity and non-discrimination
- Respect for the environment and the fight against climate change
- Ethical and compliance culture: observance of the law, tax responsibility and the fight against corruption and fraud
- Promotion of diversity, equal opportunities and non-discrimination
- Development of the communities in which it operates and of society as a whole
- Projection on the value chain
- Stakeholder engagement

Based on this policy, dialogue and communication are a key element and the Viscofan Group will strengthen the channels of communication and relations with the different stakeholders that interact with the Group, so that their needs and expectations can be met and the creation of shared value can be pursued.

Likewise, under this Policy, accountability to the different stakeholders will be ensured by issuing relevant, true, complete, reliable and rigorous information, which will allow for the monitoring of the commitments made in sustainability. It dictates that the Company will prepare and publish relevant information on sustainability issues annually in the management report or in a specific document on this subject.

In addition, the Company's corporate website is a fundamental instrument for communication with different stakeholders, which can be supplemented by direct relations by the personnel designated for this purpose, and in particular through the media, and relations with analysts where appropriate.

This policy takes the form of specific policies in the main areas of action in sustainability that have been described in the relevant thematic ESRS.

This Policy, which is available on the company's website, applies to all companies in the Viscofan Group and binds all its staff, regardless of the position and function they perform.

Additionally, the Policy sets forth that Viscofan will foster the application of the Policy's principles and bases with any natural and/or legal person linked to Viscofan by a relationship other than an employment relationship where it is possible and appropriate for them to follow principles and guidelines consistent with those set out in this Policy and other sustainable development policies.

Monitoring of the Policy is the responsibility of the Board of Directors, which will exercise it through the oversight by the Appointments, Remuneration and Sustainability Committee of the development and implementation of sustainability policies and strategies and by the Audit Committee in terms of the integrity of the non-financial information included in the management report, as well as in the supervision of non-financial risks arising from the Group's actions in relation to the Policy.

Likewise, the Group has an Executive Sustainability Committee whose tasks include promoting sustainability plans and programmes in the implementation of policies, and an Ethics and Regulatory Compliance Committee reporting to the Audit Committee which, in addition to ensuring compliance with the Code of Conduct, manages the channel for reporting any offences by employees and other people related to the Company.

Viscofan promotes the development of its Regulatory Compliance System to ensure actions to prevent misconduct, mitigate compliance risks and effectively protect people. See description of it in ESRS G1 Business conduct.

Likewise, the role of the administrative, management and supervisory bodies incorporates key governance elements in good governance also in sustainability issues such as the sustainability competencies of their members and the reporting to them of the incidents, risks and opportunities of relative importance, of the application of due diligence, as well as the integration of sustainability-related performance into an incentive system. These elements have been detailed below in the subsection on Sustainability management and governance of this ESRS.

(b) Stakeholder engagement

The Viscofan Group understands sustainability as the ability to create value among its various stakeholders in the short, medium and long term without compromising the well-being of future generations. To achieve this commitment, appropriate communication channels have been identified and established to ensure an open dialogue and to be aware of their needs and expectations, allowing the identification and analysis of the most relevant aspects of value creation that inspire the Viscofan Group's success strategy. See more in detail in Interests and views of stakeholders within section 1.1.3.

(c) Identification and evaluation of negative impacts on people and the environment

Based on the materiality assessment, the aspects where Viscofan has or may have both positive and negative effects on the environment and people have been identified. These correlate with the Viscofan Group's management of incidents, risks and opportunities detailed at a general level in section 1.1.4. of this ESRS and in particular for each topic in the corresponding sections.

(d) Strategy, measures implemented and their effectiveness

For its part, the Beyond25 strategy and, in particular, the Viscofan Group's Sustainability Action Plan establishes certain measures in the material aspects identified to deal with incidents and monitors their effectiveness based on sustainability commitments and indicators. At a general level, the Group's strategy has been detailed in section 1.1.3. of this ESRS and in particular for each topic in the corresponding sections.

The role of administrative, management and supervisory bodies

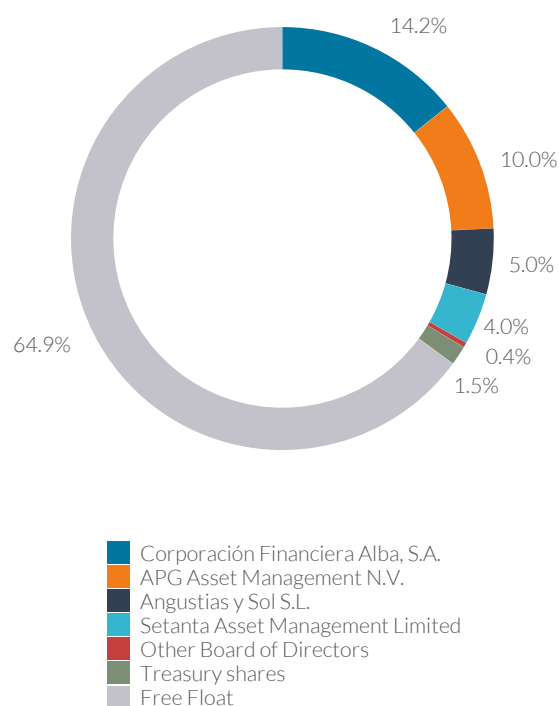
ESRS 2 GOV-1, ESRS 2 GOV-2

The governance structure of Viscofan is based on two main bodies: the General Shareholders' Meeting and the Board of Directors.

Shareholders and the General Meeting

At 31 December 2024, the Parent Company is aware of the following significant interests:

	% stake 2024
Corporación Financiera Alba, S.A.	14.25%
APG Asset Management N.V.	9.99%
Angustias y Sol S.L.	5.02%
Setanta Asset Management Limited	3.96%
Other Board of Directors	0.36%
Treasury shares	1.49%
Free Float	64.94%



The General Shareholders' Meeting is the supreme governing body of the Company in which shareholders decide by a majority vote on the affairs within the scope of their authority.

Viscofan has established the principle of "one share, one vote" which promotes equality among all of the company's shareholders. There is only one class of shares, giving the same rights and obligations to all of the Company's shareholders. There are no restrictions to voting and no limit to the number of votes that can be cast by one single shareholder.

In recent years, Viscofan has been pursuing a series of initiatives to promote transparency, communication and shareholder participation at the General Meeting, including

information on the items on the agenda, an attendance premium of €0.01 per share, facilitating remote voting, electronic voting, electronic forum and a questionnaire to answer the most common questions regarding the General Meeting.

As a result of all these measures, the 2024 General Shareholders' Meeting for the year was attended by 83.6% of the company's share capital, maintaining the high attendance percentage at the General Meetings of recent years, above the average for listed companies, which is especially significant taking into account the company's high floating capital.

The breakdown of data on attendance at General Meetings in recent years is as follows:

Data on attendance at General Meetings				
General Meeting	2024	2023	2022	2021
% present	20.2%	20.1%	19.9%	19.3%
% in representation by proxy and distance voting	63.4%	66.0%	62.8%	62.8%
Total attendance	83.6%	86.1%	82.7%	82.1%

In addition, the General Meeting is broadcast live on the internet and can be accessed via the Company's website, although the connection to this broadcast is not considered to be telematic attendance at the General Meeting.

Board of Directors

Is the body in charge of representing and managing the Company and it is governed by the Regulations of the Board of Directors. Its essential function is the approval of the strategy, the basic policies, the preparation of financial statements and, in short, the general supervision of all aspects forming part of Viscofan S.A. and, where appropriate, of the companies forming its group of companies guided by corporate interest. In particular, it is ultimately responsible for managing sustainability matters and establishing policies that ensure an adequate due diligence process.

Composition at 31 December 2024

The Board of Directors is made up of ten directors, one of whom is executive, two are nominee, two are classified as other external directors and another five are independent, with no direct representation of employees and other workers. The Board is also composed of four women and six men.

In this way, the composition of Viscofan's Board of Directors complies with the CNMV's good governance recommendations for listed companies (hereinafter referred to as CBG):

- The number of members of the Board of Directors is within the established limits of the range of between five (5) and fifteen (15) members indicated in Recommendation 13 of the CBG and the number of directors is in line with that of other companies that are comparable to Viscofan.
- Non-executive directors continue to make up the vast majority of the Board of Directors (9 out of 10).
- 50% of the directors are independents.
- The percentage of nominee directors out of all non-executive directors (two out of nine) should be no greater than the proportion between the ownership stake of the shareholders they represent and the rest of the Company's capital.
- The percentage of female directors out of the total Board of Directors is 40%, reaching the target of female representation.

Changes to the composition of the Board of Directors and its Committees in 2024

The Board of Directors of Viscofan resolved in 2023 to change the model from an executive chair to a non-executive chair, which includes the appointment of a First Executive. Based on this agreement, the President, José Domingo de Ampuero y Osma, with effect from 1 January 2024, ceases to hold his executive functions in the Company and the Group, continuing his tenure as non-executive Chair of the Board of Directors and, consequently, moving to the category of "other external directors". José Antonio Canales

García, Director-Managing Director, has been appointed First Executive of Viscofan, also with effect from 1 January 2024.

Twelve years after his first appointment, the Lead Director, José María Aldecoa, forfeited his independent status. In this sense and with the aim of making it easier for the composition of the Board to ensure that at least 50% of its members are independent, Mr. Aldecoa has tendered his resignation as a director and member of the different committees to which he belonged before concluding his bylaw-mandated term in 2026.

Likewise, at the meeting held by the Board of Directors of Viscofan S.A. on 18 April 2024 after the General Shareholders' Meeting, in accordance with the new composition of the Board derived from the re-election and appointments of directors, it was resolved to appoint Mr Jaime Real de Asúa Arteché as Lead Director of the Board of Directors.

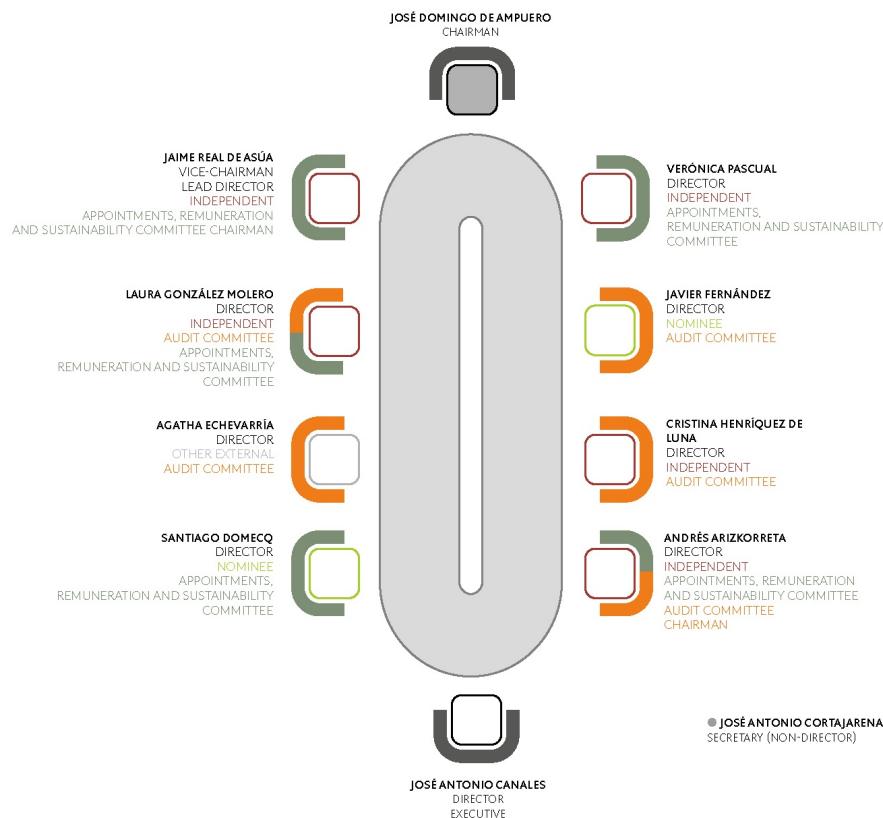
At the level of Board Committees, as a result of the end of Ms Laura González Molero's term as Chairman of the Audit Committee on 24 April 2024, it has been resolved to appoint Mr. Andrés Arizkorreta as the new Chairman of the Audit Committee with effect from that date with a term of four years.

The Appointments, Remuneration and Sustainability Committee has proposed, and the Board of Directors has approved, setting of the number of members at five, which is within the provisions of the Regulations of the Board and the Regulations of the Committee itself, appointing Ms Laura González Molero and Ms Verónica Pascual, as members of said Committee.

Thus, the breakdown of the composition of the Board of Directors as at 31 December 2024 is as follows:

Name and Surname	Category	Position on the Board	Date of last election	Audit Committee	Appointments, Remuneration and Sustainability Committee
MR. JOSÉ DOMINGO DE AMPUERO	Other External Directors	Chairman	27/04/2023		
MR. JOSÉ ANTONIO CANALES	Executive	CEO	29/04/2022		
MR. JAIME REAL DE ASÚA	Independent	Vice-chairman and Lead Director	29/04/2022		Chairman
MR. ANDRÉS ARIZKORRETA	Independent	Director	29/04/2022	Chairman	Member
MS. LAURA GONZÁLEZ MOLERO	Independent	Director	29/04/2022	Member	Member
MS. AGATHA ECHEVARRÍA	Other External Directors	Director	29/04/2022	Member	
MR. SANTIAGO DOMEQ	Nominee	Director	18/04/2024		Member
MR. CRISTINA HENRÍQUEZ DE LUNA	Independent	Director	29/04/2022	Member	
MR. JAVIER FERNÁNDEZ	Nominee	Director	27/04/2023	Member	
MS. VERÓNICA PASCUAL	Independent	Director	18/04/2024		Member
MR. JOSÉ ANTONIO CORTAJARENA	Secretary	Non-Director		Secretary	Secretary
Percentage of independent directors					50%
Percentage of women on the Board of Directors					40%
Ratio of women to men					67%

Board of Directors



The Board has created two committees in support of its functions: the Audit Committee and the Appointments, Remuneration and Sustainability Committee.

Audit Committee

The Committee is composed of five members, all non-executive and a majority independent, appointed by the Board of Directors at the proposal of or pursuant to a report by the Appointments, Remuneration and Sustainability Committee, bearing in mind accounting, auditing and financial and non-financial risk management knowledge, skills and experience. Its chairman since 24 April 2024 has been the independent director Mr Andrés Arizkorreta.

The composition, functions, rules of organisation and operation, as well as the responsibilities conferred upon the Committee are regulated in the Articles of Association, in the Regulations of the Board of Directors, and in the Regulations of the Committee itself.

The Committee is responsible for reviewing the effectiveness of the Group's internal control and financial and non-financial risk management systems, supervising the process of preparing and presenting the Group's sustainability information and the Group's Regulatory Compliance System.

The Committee functions are detailed in section C.2.1 of the Annual Corporate Governance Report of this Management Report.

Actions taken during the year:

The Audit Committee met 13 times during the year. It has covered all its functions attributed with respect to the auditing of accounts, internal audits, financial and non-financial information, internal control and risk management systems, the Ethics and Regulatory Compliance Committee and related party transactions.

Specifically, within its functions on sustainability, the Committee has addressed aspects related to this matter, such as the supervision of the Non-Financial Information Control System, regulatory changes and, in particular, the monitoring of the preparation of this sustainability report, as well as the periodic review of the effectiveness of the internal control systems and management of financial and non-financial risks.

The procedures performed by the Committee in 2024 are detailed in section C.2.1 of the Annual Corporate Governance Report of this Management Report.

Appointments, Remuneration and Sustainability Committee

This Committee is composed of five non-executive directors appointed by the Board of Directors: four independent and one nominee director. It is chaired by the independent director Mr Jaime Real de Asúa.

The composition, functions, rules of organisation and operation, as well as the responsibilities conferred upon the Committee are regulated in the Articles of Association, in the Regulations of the Board of Directors, and in the Regulations of the Committee itself.

The functions of the Committee include promoting and supervising compliance with sustainability policies, overseeing their improvement and that they take into account the legitimate interests of the stakeholders, setting goals and monitoring them.

The Committee functions are also detailed in section C.2.1 of the Annual Corporate Governance Report of this Management Report.

Actions taken during the year:

The Appointments, Remuneration and Sustainability Committee met on 9 occasions in 2024 and, whenever considered appropriate, the presence of the Chairman, Managing Director and senior management members was required.

The main matters dealt with and analysed by the Committee during the 2024 financial year and which have made up its main areas of supervision have been, among others, issues of Corporate Governance and on the composition of the Board, evaluation of the Board of Directors and the First Executive, succession plans, updating the organisational structure, the governance model and the governing bodies of the Group's subsidiaries and remuneration policy.

In particular, within its functions on sustainability, the Commission has monitored the sustainability strategy and indicators, the proposal for a Net Zero Plan, the proposal for new sustainability policies and updating of existing ones, review in the exercise of its functions in relation to the 2023 Non-Financial Information Statement, the reporting framework and preparation of the 2024 sustainability report.

The procedures performed by the Committee in 2024 are detailed in section C.2.1 of the Annual Corporate Governance Report of this Management Report.

Selection of Directors

The Viscofan Group has a Diversity Policy in the Composition of the Board of Directors and the Selection of Directors approved by the Board itself in December 2024 is adequately complied with, with the aim of updating the previous Policy on the Selection of Directors and Diversity on the Board of Directors, approved and in force since

December 2020, to bring it in line with regulatory changes and best corporate governance practices.

The objective of the Policy is to ensure that proposals for the appointment or re-election of directors are based on a prior analysis of the skills required by the Board of Directors and to encourage the diversity of knowledge, experience, age and gender always required on the Board, considering the vacancies to be covered and the structure and composition of the Board.

This policy establishes the principle of diversity. Based on this, the selection of directors should be guided by the aim of achieving a diverse and balanced composition of the Board of Directors which would contribute different points of view to the discussions it holds, thus enriching the decision-making process. With this in mind, in the selection of candidates for board members, consideration will be given to candidates whose appointment contributes to increasing the diversity of knowledge, skills, experience, origins, nationalities, age and gender. The selection process should avoid implicit biases that may imply discrimination and, in particular, the selection of female counsellors is actively promoted. To this end, when the Appointments, Remuneration and Sustainability Committee or the Board itself, as the case may be, has to propose the appointment or re-election of directors, without prejudice to respect for the competence matrix, the inclusion in the process of candidates who contribute to incorporating directors of the least represented gender is actively sought and, when faced with two similar professional profiles, the female candidate will be chosen.

Likewise, the Appointments, Remuneration and Sustainability Committee, in compliance with Recommendation 14 of the GGC, in relation to the prior analysis of the Company's needs and the competencies required by the Board of Directors on the composition of the Board for the 2024 General Shareholders' Meeting, issued a report on 15 February 2024 proposing that membership of the Board of Directors be reduced from eleven (11) to ten (10) members, considering that this would maintain a balanced and diverse composition and, in particular, that women account for 40% of the total number of members of the Board of Directors (compared to 36% as of 31 December 2023), thus reaching the target of female representation set out in Recommendation 15 of the GGC.

Following the General Shareholders' Meeting held in April 2024, this change was implemented and the percentage of female representation on the Board effectively reached this threshold.

Experience, curricula and profiles of members of the Board of Directors

The Board of Directors has members with experience on sustainability issues at the level of strategy, and also risk management and sustainability information reporting, as well as business conduct. Given that this aspect is evolving very rapidly in recent years, the different Board Committees have received regular updates on the different sustainability trends and regulations and how they impact Viscofan, for which they have also had specific training from third parties. The curricula and profiles of the members of the Board of Directors at 31 December 2024, where details are provided on their experience and, in particular, in some cases in our sector, are detailed in section C.1.3 of the Annual Corporate Governance Report forming part of this Management Report. They are also available on the Company's website, in the Corporate Governance section.

Performance of functions

In order to perform their duties with the required rigor and efficiency, the Company's Board of Directors prepares an annual schedule of meetings and the annual work plan of the Board itself and of its various committees, so that the directors can better plan and to facilitate their commitment to and attendance of meetings. Directors receive the information they need well in advance, including, as appropriate, the minutes or reports of the different Board Committees.

Actions are still being carried out to guarantee the participation of the directors, facilitating their dedication and attendance to the meetings, to provide them with tools to give more in-depth knowledge of specific aspects of the activity and specific environments of the different production centres, thus improving the monitoring of the strategy of the Group and of each of its companies.

In addition, the annual plan includes visits to some of the Group's production centres and the participation of executives to enable enhanced monitoring of the implementation of the Group's strategy and of the management of each of its companies.

Throughout 2024, the Board met 12 times. The Chairman attended 100% of the meetings, and the attendance rate was 100% among directors present at the meetings.

In addition, during the 2024 financial year, the Lead Director, as part of his duties set out in the Regulations of the Board of Directors, held two meetings with independent directors to voice their concerns, and was also available for dialogue with investors and shareholders who so requested.

Assessment

The Board of Directors carries out an annual evaluation of the quality and efficiency of the operation, diversity and competencies of the Board itself and of the Committees - which is promoted by the Appointments, Remuneration and Sustainability Committee, and coordinated by the Lead Director in the case of the evaluation of the Chair.

Every three years, the Board of Directors is assisted by an external consultant in this evaluation process, whose independence is verified by the Appointments, Remuneration and Sustainability Committee. In 2022, Korn Ferry was consulted to facilitate this evaluation, three years having passed since the last external consultancy.

The assessment of performance in 2024 was made on the basis of a questionnaire whose purpose was to provide a specific view for each director with regard to both strong and weak points, the availability of specialist skills and knowledge in different areas, including sustainability, as well as any other suggestions they may have with a view to improving the efficiency of the Board and of the Committees.

The result of the questionnaire was analysed by the Appointments, Remuneration and Sustainability Committee of which the Lead Independent Director is a member, by the Audit Committee itself with regard to its own assessment, and the conclusions were presented to the Board of Directors, where the process was concluded and a plan of action approved to include the appropriate improvements.

Remuneration. Integration of sustainability-related performance in incentive schemes.

ESRS 2 GOV-3

Remuneration an important component of corporate governance used to encourage and guide the implementation of commitments and actions within Viscofan. In this context, the remuneration systems for members of the Board of Directors and employees are aligned with the Beyond25 strategy, and in particular with sustainability, given its importance as one of the four strategic pillars. Consequently, sustainability indicators are integrated into our short and long-term incentives.

The Board of Directors' Remuneration for 2024 is regulated in the directors' remuneration policy, approved at the General Shareholders' Meeting held on 27 April 2023 for a three-year period (2024, 2025 and 2026), and which is available on the company's website in the Corporate Governance section.

This policy establishes a remuneration system for directors based on (i) their capacity as such and (ii) specific executive or senior management functions. The model of an executive chairman is adapted to a Board of Directors led by a non-executive chairman while a CEO is appointed, and some

adjustments are introduced that adapt the remuneration structure to both the performance and improvement of the corporate governance, the Beyond25 strategy and the 2022-2025 Sustainability Action Plan of the Viscofan Group.

The policy in force in 2024 links the Annual Variable Remuneration of the directors with the executive qualification, which in 2024 corresponds to the CEO, to the achievement of a combination of economic-financial targets (e.g., Sales, EBITDA, BDI, Cash Flow, debt ratios), operational targets (e.g., stock/sales ratio or efficiency ratios) and sustainability targets (e.g., emission reduction, water management, waste reduction and accident rate reduction), which by 2024 account for 10% of the theoretical potential and are tied to the reduction of waste and accident rates in the Group.

This criterion has also been extended to the annual variable remuneration of Viscofan's Management and staff.

In addition, the General Shareholders' Meeting held in April 2022 approved a long-term incentive in shares and cash for executive directors, members of the management team and other employees of the Viscofan Group for the 2022-2024 period. This plan sets out the delivery of an amount in cash and shares in the Company based on the fulfilment of certain objectives for the creation of shareholder value and sustainability, including the reduction of the intensity of Scope 1 and 2 emissions, the improvement in accident rate indicators and the performance of audits of suppliers on compliance with the Viscofan Group's supplier code of conduct. These elements of sustainability account for 25% of it.

See details of the remuneration of the Board of Directors and Senior Management in note 22 of the Group's consolidated financial statements.

It should be noted that Article 16 of the Regulations of the Board of Directors and Article 8 of the Regulations of the Appointments, Remuneration and Sustainability Committee confer on the Committee itself the powers relating to remuneration of directors and senior management of the Company and its Group.

The remuneration of the Board of Directors in 2024 was €6,718 thousand (€3,114 thousand in 2023) including €2,224 thousand in relation to the Long-Term Incentive Plan and is detailed in the Annual Remuneration Report in this management report and is available separately on the company's website in the section on Corporate Governance - Corporate Governance Reports.



Senior Management (31 December 2024)

It is the highest hierarchical level of the organisation, reporting directly to the Chief Executive Officer, and

consists of regional general management (EMEA, APAC, NAM and SAM) which groups together the operations located in the countries belonging to that geographical region, the general management of New Business, and the general management of corporate services:

ORGANISATIONAL CHART as at 31 December 2024

Person	Position
ANDRÉS DÍAZ	Managing Director EMEA (Europe, Middle East and Africa)
GABRIEL LARREA	Managing Director NAM (North America)
JUAN NEGRI	Director General APAC (Asia Pacific)
LUIS BERTOLI	General Manager SAM (South America)
ÓSCAR PONZ	General Manager New Business
MARÍA CARMEN PEÑA	Chief Financial Officer
JESÚS CALAVIA	Chief Operating Officer
IGNACIO GOÑI	Chief Commercial Officer
JOSÉ ÁNGEL ARRARÁS	Director General for R&D and Quality
JOSÉ ANTONIO CORTAJARENA	Secretary to the Board of Directors and Head of Legal
ARMANDO ARES	Director of Investor Relations, Communication and Sustainability
BEATRIZ SESMA	Human Resources Director
JOSÉ IGNACIO RECALDE	Head of Diversification and Technology
ALEJANDRO BERGAZ	Head of Internal Audit
DOMINGO GONZÁLEZ	Head of Strategy
BORJA LÓPEZ	Head of Digital Transformation

In 2024, Domingo González was appointed Head of Strategy of the Viscofan Group, with the aim of driving the strategic transformation in the second phase of the Beyond25 strategic plan.

Also in 2024, Armando Ares was appointed Head of Sustainability to meet the growing demand for sustainability rendering it necessary to promote projects and ensure coordination on this key matter throughout the Group. He combines this position with his duties as Head of Investor Relations and Communication of the Viscofan Group.

In July 2024, Borja López joined the Viscofan Group as Head of Digital Transformation.

During the 2024 financial year, the remuneration received by key management personnel amounted to €11,842 thousand (€4,021 thousand in 2023), including €6,954 thousand under the Long-Term Incentive Plan.

These amounts do not include the remuneration of the two executive directors, José Antonio Canales García and José Domingo de Ampuero y Osma (up to 31 December 2023), which are detailed in the annual Board remuneration report that forms part of this management report.

Sustainability governance and management

As the head of Viscofan's activities, the CEO is the first executive head of sustainability and also leads the Sustainability Executive Committee made up of directors from different areas where sustainability is relevant and is responsible for coordinating and supervising the objectives, initiatives and long-term work plans established by it in the field of sustainability and, in particular, the environmental ones. In 2024, this Committee met four times to monitor sustainability indicators, the establishment of the Net Zero Plan, adaptation to the new sustainability reporting regulations, among others.

Viscofan has a Head of Sustainability, who is responsible for coordinating all the Group's Sustainability issues, strategy, goal setting, specific analysis of incidents, risks and opportunities, sustainability information reporting and contact with stakeholders in relation to this matter. He is also responsible for reporting to the Board of Directors and the different Committees of the Board on the elements of sustainability that concern them.

During the year, reports were presented three times to the AR&SC and four times to the Audit Committee. Noteworthy was the establishment of the Net Zero goal, the Non-Financial Information Control System and the adaptation work for the basic regulations of this Sustainability Report. Reports have also been provided on the incidents and risks of relative importance in terms of sustainability.

In addition, in 2024 an executive sustainability subcommittee has been created, made up of people from departments in areas where sustainability is relevant, having focused its work in the year on the analysis and preparation of this report in accordance with the new reporting requirements.

For its part, the management of the different material aspects of sustainability is under the responsibility of different areas:

- Environmental and safety matters at Group level is the responsibility of the Corporate Operational Sustainability Department, reporting to the Operations Department, which is in charge of coordinating and supervising this matter in all the Group's production plants.
- The management of the specific social aspects of the company's own staff is the responsibility of the Corporate Human Resources Department,
- Regulatory Compliance is the responsibility of the Legal Department,
- Food Safety is the responsibility of the Quality Management and Regulatory Affairs Departments under the R+D and Quality Division.
- Customer relations is the responsibility of the Commercial Department
- The relationship with suppliers is the responsibility of Supply Chain, reporting to the Operations Department.

Setting sustainability goals

Within all areas covered by sustainability, the establishment of goals related to incidents, risks and opportunities is a key element of the Sustainability Action Plan. These goals are established by the Executive Sustainability Committee based on the material aspects identified and where Viscofan can make the greatest contribution.

Once established, these are reviewed and approved by the Board of Directors within the framework of the current Sustainability Action Plan.

Subsequently, their performance is monitored on a quarterly basis in the Executive Sustainability Committee and the Appointments, Remuneration and Sustainability Committee, as well as the Board of Directors, are informed periodically.

Risk management and internal controls over sustainability reporting

ESRS 2 GOV-5

Viscofan has a sustainability information control system implemented in 2023 with the scope of all the companies of the Viscofan Group and which have an impact on the processes and sub-processes related to sustainability reporting.

It is based on the policy of the internal control system for financial and non-financial information approved by the Board of Directors in 2020, which requires that internal control systems provide reasonable assurance of the reliability of financial and non-financial information.

This system is based on best practices and international standards, based on those established in the COSO report, as well as compliance with legal requirements.

The system comprises five components:

1. The control environment
2. Information risk assessment
3. Control activities
4. Information and communication
5. Review and monitoring

Information risks are associated with processes and sub-processes, which include non-financial information of a material nature based on the Viscofan Group's Sustainability Action Plan and established prior to the approval in Europe of the reporting regulations for this Sustainability Statement.

- Environmental issues: Energy consumption, Scope 1 and 2 emissions, water catchment, waste disposal.
- People: breakdown of average workforce by category, remuneration, wage gap and training.
- Safety: information that supports the calculation of the indicators in this area.

The identification of risks is coordinated by the Corporate Sustainability Department in collaboration with those responsible for Human Resources, Environment and Safety information, as well as with the Internal Audit Department. In each process and sub-process detailed above, the Group identifies the risks that may materialise by analysing the following requirements:

- Description of the existing control objectives to meet the business targets defined by the Company and guarantee the reliability of the sustainability information.
- Possibility of occurrence of the risk of error with the following criteria:
 - a) Validity: all transactions generated in the period are valid.
 - b) Integrity: all transactions have been recorded correctly.
 - c) Registry: all transactions have been recorded accurately.
 - d) Cut-off: all transactions recorded represent events that occurred during the period in question; transactions are recorded in the corresponding period.

The risks identified based on these criteria comprise the non-financial information risk matrix. Of these, the most relevant are those that directly affect the Group's sustainability objectives, such as CO2 emissions, waste eliminated, water catchment, accident rates and women in management positions. Depending on the risk, the strategy to mitigate them is different, although controls have been implemented at the subsidiary level that mainly seek the review and correct registration of the information reported to the corporate for its subsequent consolidation.

The non-financial information control system has been integrated together with the financial information control system into SAP GRC, a unique environment that allows the automation and computerization of the assurance of information processes.

As noted in Article 8 of the Audit Committee's Regulations, one of the main functions of the Committee is to supervise and evaluate the process of preparation, presentation and integrity of non-financial information relating to the Company and its consolidated Group, reviewing the correct design of the internal control systems of information and compliance with regulatory requirements.

Reporting directly to the Audit Committee is the Viscofan Group's Internal Audit Department, whose scope of work is to determine whether the Viscofan Group's risk management and control processes, designed and operated by the Management, are adequate and operate in such a way as to ensure, among other things, that the information is accurate and is available in a timely manner.

In this sense, once the SCIINF was implemented, in 2024, on the one hand, the execution and supervision of the implemented controls has been continuously monitored; and on the other hand, Internal Audit has carried out the review of two reporting sub-processes for all the Group's subsidiaries, proposing improvements and corrective actions.

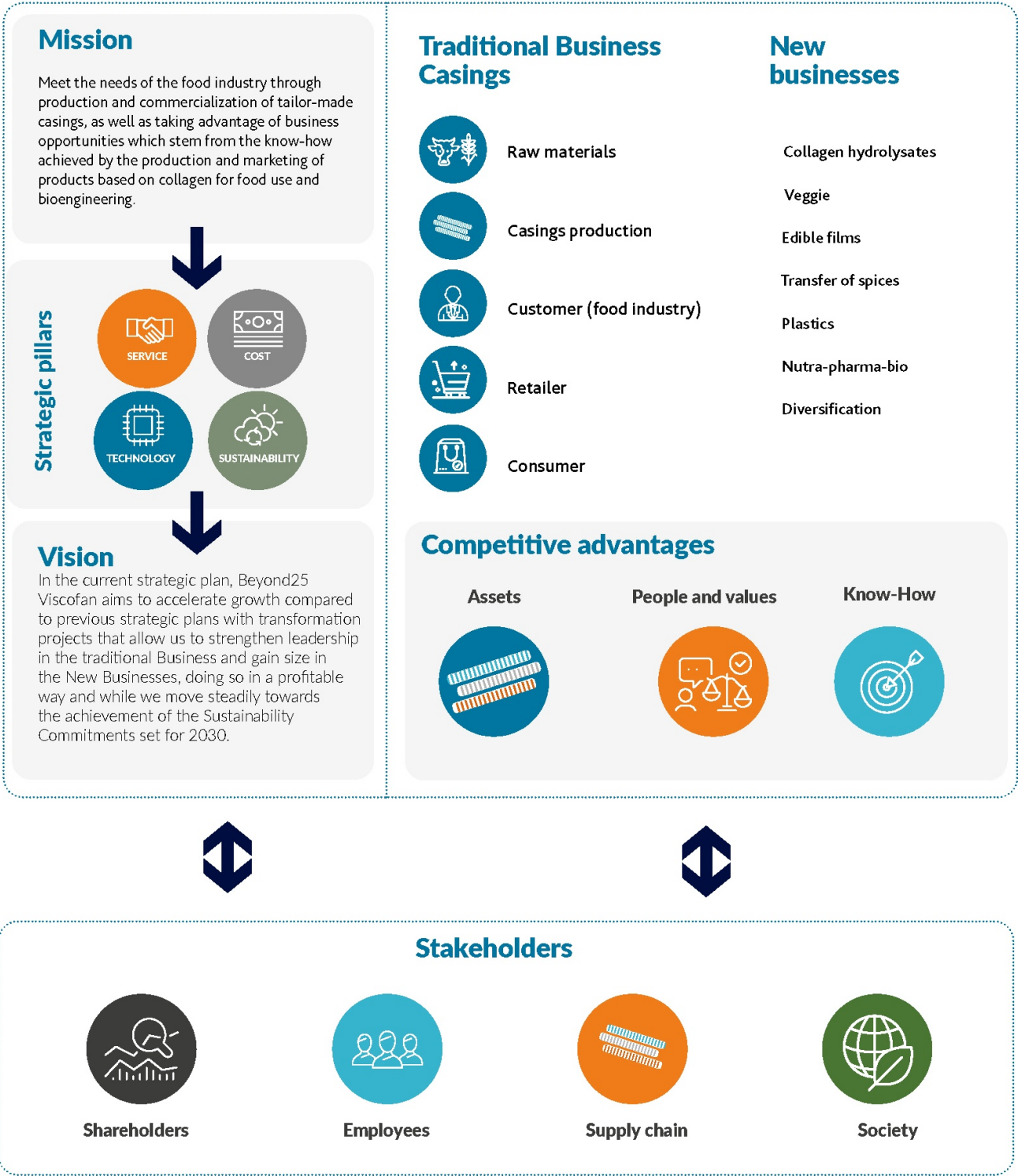
Given that this Sustainability Report involves the reporting of additional information to that envisaged in the Sustainability Action Plan, Viscofan plans to standardise the process for reporting new information in the coming years for the subsequent analysis of processes and sub-processes, identification of information risks and their inclusion in the implemented for the non-financial information internal control system.



1.1.3. Strategy

The Viscofan Group has a business model with a technological and geographical proposal that is unique in the market, based on the solid shared values of a team, aimed at creating value in a sustainable manner for all our stakeholders. As a result of this model, Viscofan is a leader in the casing market and offers growth propositions in the food and health sectors outside the traditional business.

Our business model outline:



Strategy, business model and value chain

ESRS 2 SBM-1

Our purpose and mission

Purpose

From 2022, Viscofan has a new purpose with which it wants to go beyond traditional boundaries "Reshaping food and wellbeing. For many, for long", seeking to help to provide access to food and nutrition throughout the world, and to improve the well-being and health of people.

"Reshaping food and wellbeing" means that: our technology and our global presence enables us to be in a condition to forge a better world. We contribute to improve access to food throughout the world and we can also help, through nutrition and our knowledge, the well-being of human beings.

"For many" means that: if something characterises us, it is that we have always wanted to be important, to generate an impact; hence, our scope of action in the world is, "for many" - the more people that can enjoy our products, services or solutions, the better it is for our purpose.

"For long" means that: we generate an impact that remains, a future project, a project that intends to be forever, "for a long time". It is an impact for everyone, for life, for the well-being of everybody. It is our sustainable proposal.

Mission

Meet food industry needs through the production and sale of artificial casings, and to seize the business opportunities that arise from know-how achieved by the company through the production and sales of collagen-based products for food use.

Beyond25 Strategy

The current strategic plan, called Beyond25, maintains the ambition to transform the Company in the same way as in the previous strategic plans. To this end, Viscofan expanded its business scope with a new purpose "Reshaping food and wellbeing. For many, for long".

This means redefining our business model with a new approach to the market that combines our strong competitive advantages: the combination of the world's largest geographical presence, both productive and commercial, with a wide and unique catalogue of products, developed on the basis of its own technology and know-how, which continue to develop continuously thanks to a culture of excellence and continuous improvement, based on solid values and ethical principles shared by a highly committed team.

This strategic plan has four leading management regions to have greater market proximity and flexibility: Europe, Middle East and Africa (EMEA), North America (NAM), Asia Pacific (APAC) and South America (SAM), completed with a cross-cutting "New Business" division.

In addition, the strategy is based on an approach to the market that distinguishes between the Traditional Business (which includes cellulosic, collagen and fibrous) where Viscofan is in a privileged position to continue to take advantage of growth opportunities; and the New Business (which includes tubular plastics, packaging and third parties, edible casings, functional solutions, nutra-medical-pharma products, as well as diversification activities), where Viscofan wants to leverage its know-how as a catalyst for innovation to expand into new markets with attractive growth trends in the food, wellness and health sectors.

The strategy is based on four cross-cutting pillars: service, cost, technology and sustainability, with the ambition to lead the market in each of these areas.

Also, to drive change, the Digitalisation and People lever has been introduced, with people management and digital transformation initiatives to help streamline processes, boost career development and improve work-life balance.

In accordance with this strategic plan, Viscofan has its 2022-2025 Sustainability Action Plan with specific projects to combat climate change, measures to reduce water consumption and improvements to transform our processes into a more circular economy and reinforce our commitments to the Sustainable Development Goals of the United Nations 2030 Agenda.

Viscofan now has six essential commitments to our sustainability. Of these, although without setting a specific goal, it has two in which we can make a contribution through our products and services:

SDG 2. Zero hunger: belonging to the food market carries with it a great responsibility: that of providing millions of people worldwide with access to basic nutrition. As a global leader in artificial casings, the Viscofan Group contributes to the development of products that help to avoid food waste and it invests in R&D&i that enables more efficient and sustainable processes to manufacture cold meats. It also seeks to work with NGOs whose business nucleus is based on reducing hunger and to develop specific products that combat malnutrition.

SDG 3. Good health and well-being. Viscofan undertakes to transform the ample knowledge developed in the processing, use and transformation of raw materials, especially collagen, in products and solutions that contribute to improve the health and well-being of people. Collagen is the most abundant protein of the human body and of animals but, in turn, it is a singular versatile material and, therefore, is used in various areas that are beneficial for people, such as regenerative medicine, nutrition, health and life sciences.

For their part, the main strategic projects carried out in the 2024 financial year are detailed below:

- Construction and commissioning of a cellulosic and collagen casing converting plant in Rayong, Thailand.
- Acquisition of a 60% stake in the companies Brasfibra and Master Couros in Brazil, promoting collagen applications within the New Business division.
- Progress in investments and projects for the decarbonisation and diversification of energy sources at the Cáseda plant in Spain (biomass, electric boilers, solar park, green hydrogen).
- Implementation and approval by the Board of Directors of a Net Zero Plan for the Viscofan Group.

In addition, the strategy, the resilience of the business model and the specific action measures have been detailed in each ESRS.

Our markets

With the Beyond25 strategic plan, commercial and operational strategies have been reoriented, distinguishing between the sales of what has been called Traditional

Business, which includes casings based on collagen, cellulosic and fibrous technology, and sales of New Business, which includes plastic casings and the rest of the products and services. These two divisions are not identified within the categories of the sectors of the ESRS, so they are considered as "Other".

In addition, to a lesser extent, 5% of the Group's revenue comes from energy sales. They include the cogeneration activity, which in the Viscofan Group consists of the sale to third parties of the electricity (€51.2 million in 2024) that the Group does not use in the production process of its main activity, and which is included in Annexes 1 and 2 of the EU Taxonomy Regulation as an eligible activity with respect to the objectives of climate change mitigation and adaptation to climate change. The rest of the energy sales correspond to income from the sale of electricity transformed at the Zacapu facilities (Mexico), an activity that is not eligible according to the taxonomy.

Viscofan has not availed itself of the exemption from disclosure of information referred to in Article 18(1)(a) of Directive 2013/34/EU on the breakdown of business volume by category of activity, as well as by geographic markets, to the extent that those categories and markets differ significantly from each other, taking into account the way in which the sale of products and the provision of services is organised.

Therefore, the revenues obtained by the Viscofan Group can be grouped by nature into Traditional Business, New Business and Energy, which are significant for Viscofan based on the provisions of point AR 13 of ESRS 2 and account for 100% of revenue. Its breakdown is as follows:

In thousands of euros	2024	%
Traditional Business	996,611	82.8%
New Business	147,326	12.2%
Other energy income	60,057	5.0%
Revenue	1,203,994	100.0%

However, from a management information point of view, the activity is considered a mono-segment, being mainly the sale of casings as stated in Note 18 of the Consolidated Financial Statements according to IFRS 8.

At Viscofan, sustainability incidents, risks and opportunities are considered both in our operations and throughout the value chain. In particular, in the double materiality assessment detailed in section 1.1.4. Management of incidents, risks and opportunities, environmental aspects have been considered and evaluated, such as emissions, pollution, circular economy and dependence on natural resources, as well as social aspects, with greater relevance in the personnel of our operations and in the end consumer since our products are a part that facilitates the feeding of millions of people in all the same areas. The thematic ESRS sections describe the specific IROs identified, the policies established, resources allocated, parameters and goals.

Within the framework of the Sustainability Action Plan, there are no specific sustainability-related targets set in terms of significant product and service groups, customer categories, geographical areas or stakeholder relationships.

Traditional Business - Casings

In sausage production, food companies can use animal casings or casings made from natural primary materials. These are soft, cylindrical containers that give sausages and cured meats their distinctive shape and are of great importance to our customers in their quest for greater efficiency, increased production speed, reduced waste, and quality assurance.

The casings are characterised by their ease of use and appearance, which contrasts with the high technological component underlying the manufacturing process and which only a few companies worldwide have developed.

In particular, collagen casings provide specific characteristics and benefits for the meat industry compared to traditional sausage production methods using animal casings.

The advantages of collagen casings include their uniformity and consistency, which allows for more efficient, standardized production and better utilization of raw materials. They are also easier to handle and do not require prior preparation, unlike animal casings.

In addition, since food safety is a key aspect in food production, collagen casings are manufactured under highly controlled and standardized conditions, which reduces the possibility of contamination with pathogenic microorganisms, while also providing a longer and more stable shelf life. They do not require prior cleaning, eliminating the risk of cross-contamination that could occur during the cleaning process.

Finally, the production of collagen casings, and specifically at Viscofan's production plants, is subject to rigorous health and quality regulations. See details in the NEIS S4 Consumers and End Users section.

There are different types of casings depending on the main raw material used.

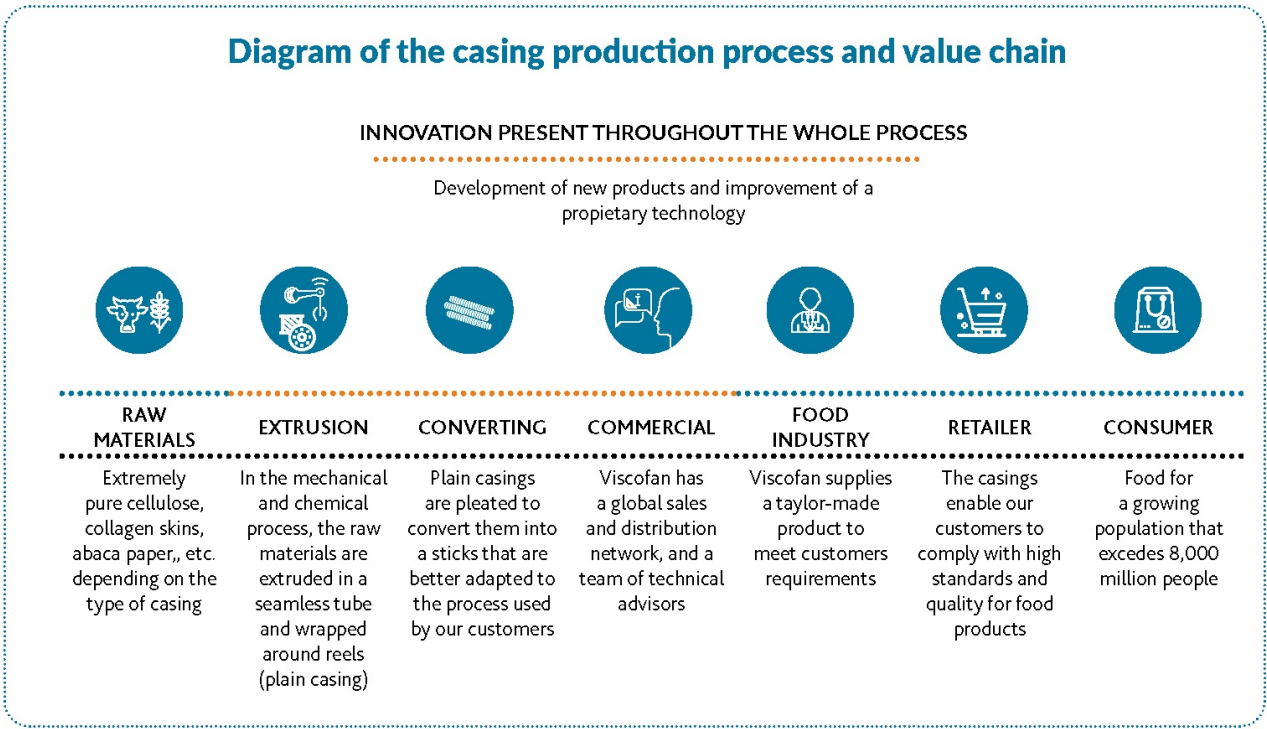
- **Cellulose casings:** The main raw material is cellulose, a linear polymer composed of glucose units found in the wall of cells in plants, wood and natural fibres, usually combined with other substances such as lignin, hemicelluloses, and other components. To produce casings, the cellulose chain must be broken to obtain a polymer with the appropriate length for its extrusion in the form of a casing and with very specific elastic properties. This process requires cellulose with a high level of purity, also called "premium cellulose" or "special cellulose" by our approved suppliers.
- **Collagen casings:** Collagen is a very common long fibrous protein with remarkable chemical and mechanical properties. In addition to its application for sausage casings, it includes uses in the fields of biomedicine, cosmetics and the food industry, as a basic material used in the broader gelatin industry. The corium, or inner part of the skin of cattle, is mainly used to produce collagen casings, since it is very rich in collagen.
- **Fibrous casings:** A combination of cellulose and abaca paper, the latter is obtained from a herbaceous plant called *Musa textilis*. Paper made from its fibres has a high mechanical and moisture resistance and is used at Viscofan to produce fibrous casings. Abaca fibre is also used by other industries to produce high quality paper and non-woven textiles for various uses such as tea bags, paper money and filters.
- **Casings, film and plastic bags:** obtained by treating different plastic polymers widely used in different industries. The most commonly used polymers are polyethylene, polypropylene and polyamides.

In addition, Viscofan also uses the following inputs for the production process:

- **Chemicals** used as **auxiliaries** in the production of different types of casings, the most relevant are caustic soda and glycerine.
- **Water:** Viscofan's production plants require water collection for different phases of the process, such as the washing of casings, refrigeration, steam production and the moistening of said casings. At Viscofan's production plants, in 2024, 14% of the water captured evaporated, was incorporated into the product or was consumed, while the remaining 86% was taken to purification plants installed at Viscofan's production plants to be processed before being returned to freshwater surfaces or municipal processing plants.
- **Energy:** casing production is a continuous and energy-intensive process, mainly due to its drying phase. Based on the current state of technology, the most efficient form of energy generation for the production of casings is based on the combustion of natural gas. This is the main energy input used by Viscofan in its plants and it is supported, in turn, by electricity consumption.

To ensure the supply of key raw materials, Viscofan works with a series of certified suppliers and based on solid and long-lasting relationships. Additionally, within the procurement strategy, the search for supplier diversification is key, both by type of material and by geography. In this sense, one of the pillars

of action of the R+D department is to carry out research aimed at expanding the range of suitable materials for the manufacture of casings and their performance, also taking into account sustainability criteria such as their biodegradable or recyclable nature.



The food industry and, more specifically, the cold meat production sector, increasingly demands more products with greater features, more sustainable and at highly competitive costs, in order to enable their large-scale manufacture. Responding to this demand involves a huge technological and development challenge that Viscofan has successfully met as the largest casing producer, being the only one in the industry to provide solutions in the main casing families.

Casings are an essential element in the production of food, allowing access to protein for millions of consumers. They are sold by Viscofan directly or through distributors to the meat industry for the production of sausages. Viscofan has the largest production presence in the industry and sells its products in more than 100 countries. They are transported mainly by truck or ship, depending on logistics needs.

Sausages are generally sold by the meat industry to supermarkets and restaurants, although, in the vast majority of the casings with which they have been produced are not perceived by the consumer, especially in the case of cellulosic and fibrous sausages, they are peeled by meat companies in most cases before being sold.

An increasingly conscious consumer when making purchasing decisions, which requires more transparency about the environmental and social impact of products, functional performance, the safety classification and traceability of production throughout the value chain.

Belonging to the food market carries with it a great responsibility: that of providing millions of people worldwide with access to basic nutrition. A population that is continuing to grow and whose expectations in terms of taste, preparation and consumer experience also continue to change and diversify, demanding a maximum food quality and safety guarantee.

The custom casing market has a historical growth range of around 2-4% in volumes thanks to solid foundations based on:

Category	Trend
Population growth	An average annual rate of 1%, with emerging areas driving this expansion.
Eating habits	Increased per capita demand for meat led by emerging areas thanks to the increased purchasing power of the middle classes, globalisation of eating habits and the growth of the population in cities. In developed areas, nutritional trends are evolving towards the search for chicken protein, greater convenience, and products with higher nutritional quality and food safety standards.
Greater sophistication of meat processors	Increased search for productivity, food safety and hygiene, and the development of new products drives the replacement of animal casings with artificial casings (mainly collagen), as well as the development of new products.

In 2024, it is estimated that the casing market has grown by 3% in volumes once the inventory adjustment process seen in the previous year has been completed. The strong growth in collagen casings, driven by the market recovery, is noteworthy, together with the trend of replacing animal gut.

Thus, in 2024 the casings market has an estimated value of €5 billion. In order to meet stuffing requirements, a meat processor must choose from among the different market alternatives, either with animal gut (44% of the market) or artificial casings (56% of the market), which, in turn, can be produced with different materials, depending on the desired production and product characteristics, combining a better range of casings with production savings.

New Business

The know-how and experience acquired in diversification with the use of collagen as an ingredient in different applications not related to the world of casings, our continuous dialogue with the market allowing us to identify needs not always associated with casings, together with the experience we have gained in our own production processes, have given rise to product solutions framed within the New Business division.

With this division, Viscofan goes beyond the traditional casing market and enters a market with a potential of more than €5 billion in which Viscofan has a small size, but it is undoubtedly a great opportunity for its products and innovations that seek to provide solutions to trends in the areas of food and health that are becoming increasingly relevant.

The main growth catalysts identified are:

Category	Trend
Population	<ul style="list-style-type: none"> • Growing population • Population ageing
Eating habits	<ul style="list-style-type: none"> • Increased protein intake • More vegans and vegetarians • Convenience and variety • Healthy and sustainable food
Food industry	<ul style="list-style-type: none"> • Circular Economy
Health	<ul style="list-style-type: none"> • Search for wellness and personal care • Development of biomedicine

Diversification

Within the New Business division, Viscofan has a diversification-driven unit that actively pursues and develops growth opportunities and cutting-edge innovation in materials and new Business beyond casings.

These opportunities are explored and developed directly by internal teams and through partnership agreements with third parties that stand out in specific areas (technological, industrial, medical, etc.)

Food, health and sustainability activities are the main pillars of diversification activities.

Of these, Viscofan's ample knowledge in the processing, use and transformation of raw materials of a biopolymeric nature constitutes an investment opportunity and, hence, a growth opportunity for Viscofan. A good example are the new solutions based on the technological knowledge of collagen.

Collagen is the most abundant protein in the human and animal body, but at the same time it is a unique and versatile material, and therefore finds applications in various fields beneficial to people's health such as regenerative medicine,

nutrition, health, life sciences, etc. Viscofan applies technologies and extraction methods to process bovine skin collagen for the development and production on an industrial scale of new collagen biomatrices in the medical, nutraceutical and dietary fields.

In 2024, Viscofan promoted the diversification of collagen-based products with the acquisition of a 60% stake in Brasfibra and Master Couros in Brazil, companies with their own collagen treatment technology that is allowing Viscofan to strengthen its knowledge and product portfolio in collagen hydrolysates and expand its use as a food ingredient or solutions for the pet food market.

In addition, Viscofan explores new business avenues by taking minority stakes in several disruptive start-ups, providing financing, and in some cases knowledge, resources and access to markets to facilitate their growth. The investee companies are (ODS Protein, Feltwood, MOA Biotech, Insekt Label Biotech, Cocoon Bioscience and Inmedical Therapeutics).

Viscofan also participates in alliances in which it shares knowledge for the development of innovative solutions in different fields. In this regard, the following stand out: The TriAnkle project, a consortium of companies led by Viscofan and funded by the EU to manufacture personalised 3D implants based on collagen and gelatin for the regeneration of injured tendons and cartilage; the European consortium Accelerating Research and Innovation for Advanced Therapies (ARDAT) for the development of advanced therapy medicines; and the European consortium projects "Brave" on cardiac regeneration and "Unloc" on 3D solutions for the field of "Organ on a Chip".

Finally, with the "Protection" and "Probonewfood" projects that seek to research new sources of protein and their impact on the immune system, and which are funded by the CDTI in Spain.

Our competitive advantages

Viscofan's progress is understood from achieving sustainable competitive advantages, which are the result of the work and commitment of an exceptional team that has been offering the best of each one of them for nearly 50 years, to turn Viscofan into the leading company in the casing sector and to expand its frontiers towards new Business in the fields of food and wellness.

People and values

People are the differential value on which the future of Viscofan is being built. Our team is made up of 5,163 people, of which 2,788 are in the EMEA region, 1,289 in North America, 602 in South America and 484 in Asia Pacific.

A team distributed throughout the world but based on shared values:

- We are resolute: we strive for excellence in quality, we are customer and results oriented, we are committed to our work and we carry it out in an agile manner.
- We work as a team: we perform our work with passion, we value know-how, agility and excellence. We like to work as a team with a common purpose.
- We are pioneers: we look for new ways of doing things, taking the risk of going further, diversifying, innovating and contributing to a better future.
- We enjoy our work: we are excited about life, we are eager to do things, make decisions and seize opportunities. We value responsibility and commitment to work.

In parallel, these values are based on irrevocable ethical principles (integrity, loyalty, respect and human rights).

The Viscofan Group understands that the creation of long-term sustainable value for all stakeholders can only be achieved through ethical behaviour that favours the development of a culture of best practice in social responsibility within the Group and by contributing to improving people's well-being through the economic, environmental and social development of the communities in which the Viscofan Group is present.

R&D and Innovation. Technology and know-how

Viscofan's position in the constantly-evolving, highly competitive world market is sustained by its constant cutting-edge efforts in research, development and innovation (R&D&i), both in technology and products. Only this philosophy enables the company to advance the leadership of innovations in the casing industry worldwide and to drive and develop new business, thus benefiting the various stakeholders.

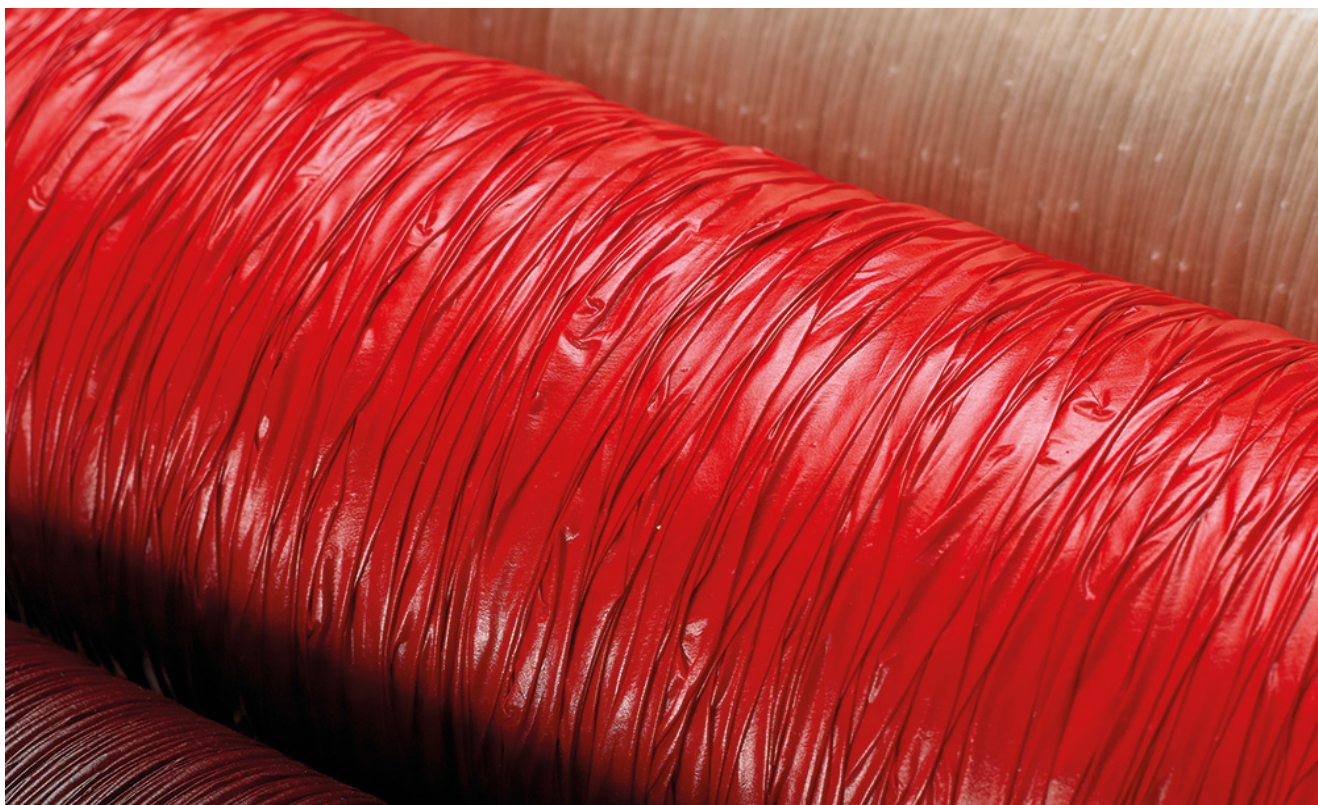
This activity is possible thanks to an innovation network and culture that extends to the whole organisation, and the corporate research and development centre in Spain coordinates, directs and supports the specific research and development activities and tasks conducted at each production plant and coordinates the multidisciplinary work teams. The corporate centre seeks to share the best practices, technological knowledge and the ideas between the different production centres.

Constant innovation required by our globalised world must be taken into account. Our products must be compatible and adapt to the food habits and uses of millions of world consumers, their preferences and evolution over time. Viscofan accompanies its growth as a company with the development of its innovative capacity to access, assimilate and improve the best technologies available in the market, as well as to develop its own technologies that provide competitive advantages, while promoting continuous improvement, seeking greater efficiency and greater sustainability in the improvement of processes and products.

In this regard, Viscofan adapts a proactive approach in the search for sustainable solutions at technology and product level, boosting relevant aspects, such as the circular economy, the search for energy efficiency, the reduction of GHG emissions, pollutants and the lesser need for water.

Progress in the field of digitalisation represents a new innovation opportunity that Viscofan wants to take advantage of to lead the industry's digital transformation. In collaboration with third parties, Viscofan's Digital Transformation team wishes to apply the solutions offered by new IT technologies to our operations. We are seeking to improve the quality of our products, to obtain the best information possible to improve our production process and to perform predictive maintenance, etc., through solutions based on artificial vision, the development of technological solutions with the digitalisation of the movement of materials within the facilities, and the development and implementation of a smart 4.0 industry management system.

Innovation is an on-going process with strategic product and technological development projects in all casing families (cellulose, collagen, fibrous, plastic and vegetable), and in its final product applications, also including other diversification products. Our innovation boosts the innovation of the food sector, enabling applications to be developed aimed at providing Viscofan with the range of products required to reinforce its presence on the global market.



Action projects

With this, the main current projects are mainly oriented towards the following areas:

- The development of new products according to the target markets as defined in the expansion plan, and those required by our customers, and also new generation executions, designed and oriented towards offering tubular alternatives with differential performance and features.
- The development of films and casings that are able to confer functionalities to the product they contain, gaining in efficiency and preventing food waste.
- The development of production alternatives and technological solutions that involve a radical leap, through modernisation, streamlining and simplification, allow an increase in added value and efficiency levels and significantly reduced production costs for meat casings, thus improving the competitiveness of our products and processes.
- A boost in the search for technological solutions that allow us to improve the sustainability of our operations in energy efficiency and water consumption, efficiency in the use of raw materials and waste and pollutant reduction and improvements in safety.
- Research aimed at extending the range of adequate materials to manufacture casings and their features, while also taking into account sustainability criteria such as their biodegradability or recyclability.
- Technological support for improving existing products and processes, and for the Company's international expansion, all this adhering to Viscofan's technological and quality standards and current regulations, as well as the optimisation of production costs.
- Digitalisation: Within the Digital Transformation Department, Viscofan has an Advanced Data Analytics area, whose actions during the year included the implementation and development of a demand prediction model in collaboration with a third party.

Our assets. Wide product offer

Viscofan is the only company in the casing industry with the main technologies available, and offers its customers a wide portfolio of casings that allows them to choose the one that best suits their needs in a context of globalisation in food habits and the need to adapt to changing consumer demands where the focus on health, convenience, experience, variety and sustainability awareness are more relevant.

Our casings facilitate access to basic food for a growing world population, especially in emerging areas whose consumption habits increasingly demand more protein, whether of animal or vegetable origin.

Our broad casing product portfolio, the largest in the industry, allows the customer to choose the casing that best suits their needs, while with the new Beyond25 vision and Strategic Plan we expand frontiers with innovative New Business solutions that go beyond traditional casings.

During the year, the most significant changes in the product portfolio were the incorporation of Brasfibra's collagen products in collagen hydrolysates, as an ingredient in food and pet food.

Our product categories are as follows:

Traditional Business



Cellulose casings

They are made using natural cellulose as a raw material. They are primarily used for the production of industrially cooked sausages.

"Casing that provides competitiveness in an inflationary environment, and sustainability due to its plant-based and biodegradable origin."



Collagen casings

They are made using collagen as a raw material, ideal for fresh or precooked, or raw/cured sausages.

"An attractive alternative to animal casings, supporting customers with their automation and cost-saving challenges."



Fibrous casings

Made with a blend of cellulose and abaca paper, a plant-based paper that gives the casing high strength and consistency for the production of large-caliber sausages.

"The best solution for today's industrial processes, which increasingly demand speed, productivity, and efficiency."

New Business



Plastics

Casings, films, and bags obtained through the treatment of plastic polymers, also promoting the use of renewable and bio-based raw materials. A wide variety of types is available, allowing us to offer the most suitable product for each type of application.

"Focus of growth on sustainability and added value."



Vegetable casings

Plant-based and specially developed for vegetarian and vegan recipes. Suitable for fresh and cooked applications, with excellent frying results and a tender bite.

"Viscofan has been a pioneer in developing a tubular product."



Transfer of spices

Functional spice transfer solution applicable to a wide range of foods such as fresh produce, processed meats, cheeses, and ready-to-eat products.

"New generation of solutions to help customers in their search for new products."



Edible films

A transparent, edible, and soluble film made from plant-based polysaccharides that serves as a carrier for a wide variety of herbs, spices, sauces, and marinades.

"Disruptive innovation to reach more markets."



Hydrolyzed, satiating and other collagen-based products

Collagen plays an important role in our bodies. It supports tendons, skin, and cartilage, thus supporting the integrity, firmness, and elasticity of the musculoskeletal system, soft tissues, and skin.

"A premium product leveraged on Viscofan's experience with this raw material and reinforced in 2024 with the acquisition of Brasfibra."



Nutra-pharma-bio

Processed bovine skin collagen products for the development and industrial-scale production of novel medical and research-grade collagen biomaterials.

"Leveraging our collagen know-how in the medical field."

For more information on Viscofan's products, please consult the Products and Markets section of the corporate website.

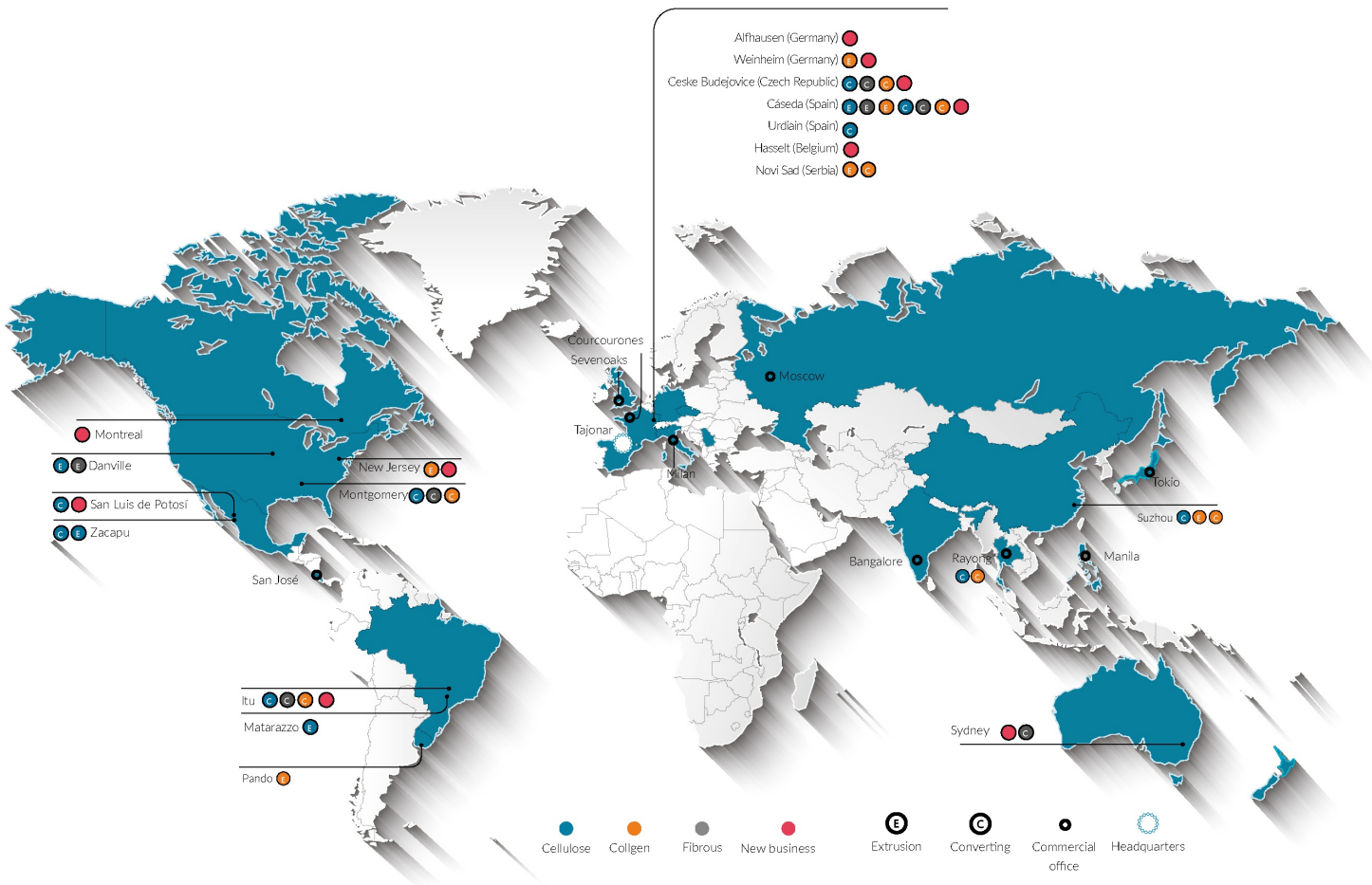
Our assets. Geographical presence

The casing market is global. Our customers are located in more than 100 countries around the world, so providing a quick response adapted to their needs is often a differential element of their purchase decision. To improve this response capacity we have the largest production and sales network in the market, with a presence in 21 countries and 24 production plants.

Geographical expansion is a constant at the Viscofan Group. In 2024, the construction and commissioning of a converting plant for collagen and cellulosic casings in Thailand was completed with the aim of improving service in Southeast Asia, one of the casing markets with the best growth prospects.

Also in 2024, Viscofan acquired the companies Brasfibra and Master Couros, which have implemented production of collagen-based products in Brazil.

In addition, between 2021 and 2023, the company Viscofan Japan GK was set up with the aim of having its own commercial presence in Japan, one of the world's main casing markets and the opening of representative offices in Italy and the Philippines with the aim of improving service in these significant markets and enhancing our knowledge of them.



Generated and distributed value

ESRS 2 SBM-1 paragraph 42.b)

The results in terms of benefits of Viscofan's products and services and activity for the main stakeholders are described below.

Customers and end consumer

Our casings facilitate access to basic food to the world's population, achieve greater efficiency in production, following strict quality and food safety controls, and clarity in labelling. Listening to the customer is key to meeting these demands in order to offer them the most suitable product and to promote them in order to achieve a more sustainable industry.

At the same time, we can also help improve the well-being of human beings through nutrition and our knowledge, mainly through products that derive from the know-how we have achieved by producing and marketing collagen-based products for food and health uses.

Raw material and service suppliers

Viscofan makes a global commitment to its suppliers and establishes relationships with them based on respect and trust, and on the quality of products and services. On this basis, it works closely with its suppliers to understand their specific needs and challenges. This collaboration allows for developing tailor-made solutions that benefit both parties and create long-lasting and successful business relationships.

Likewise, Viscofan, based on its commercial relationship and trust with suppliers, seeks in all the companies of the Group the payment of invoices in a timely manner, regardless of their size and category.

Employees

Ensure decent working conditions for all company employees, with non-discriminative hiring. Likewise Viscofan maintains its commitment to create ongoing employment.

We back the promotion and professional development of our teams, especially among young people. We inform employees of the opportunities and processes that arise at the company so that they can opt for new goals and challenges.

Guaranteeing freedom of association and collective bargaining.

Creating a stable working environment, supporting full-time permanent contracts, in a climate of respect and non-discrimination. 93% of our workforce have permanent contracts.

Encouraging youth employment through recruitment and internship programmes.

Having occupational health and safety management systems at all the company's factories.

Shareholders

Throughout the different strategic plans, the Viscofan Group has built a sound and flexible business model. This characteristic entails the creation of cash flows that allow investment projects to be carried out in order to improve value creation, which is shared with shareholders in cash and at the same time maintaining a sound balance sheet structure. Accordingly, against the results of the 2023 financial year, Viscofan distributed to shareholders a dividend of €3.01 per share, which includes an extraordinary dividend per share of €1.00. In addition, against the results of the 2024 financial year, the Board of Directors has proposed a total dividend of €3.10 per share, includes an extraordinary dividend per share of €1.00.

Company

In its Sustainability policy, the Viscofan Group has a firm commitment to Human Rights, undertaking to carry out its activities in a responsible manner and to generate positive impacts on the communities in which it operates. In this regard, in 2023, Viscofan implemented different social initiatives through the help of different bodies and institutions in the communities in which it is present, while collaborating with institutions or research centres.

Viscofan is aware of the social impact its activity generates: from direct or indirect employment generated by its implementations, to the financial benefit it obtains from its activity in each of the different companies in which it operates for which it contributes through taxes. In 2024, accrued income tax amounted to €49.1 million as a result of the Group's business activities in different countries.

Vision and strategic goals

In the current strategic plan Beyond25 Viscofan aims to accelerate growth compared to previous strategic plans with transformation projects that allow us to strengthen leadership in the Traditional Business and gain size in the New Business, doing so in a profitable way and while we move steadily towards the achievement of the Sustainability Commitments set for 2030.

The targets set are:

- Our financial targets for the 2025 period are as follows:
 - Revenue: Grow between 5% and 8% compared to fiscal year 2024.
 - EBITDA: Grow between 8% and 12%.
 - Net profit attributable to the parent company: Growth between 6% and 10%.
 - Investment of 75 million euros.
- Our sustainability commitments are as follows:
 - Climate change: Net Zero Plan 2050 approved in 2024 by the Board of Directors with an intermediate target of absolute reduction of GHG emissions in the range of 45% to 50% by 2030 compared to 2018.
 - Circular economy: 30% reduction in tonnes of waste disposed/million metres extruded in 2030 compared to 2018.
 - Water: 10% reduction in water abstraction in m³/million extruded metres in 2030 compared to 2018.
 - Accident rate: 50% reduction in the severity rate at work compared to 2018.
 - Diversity: 30% of women in executive posts by 2030.
 - Supply chain: verification of 100% of suppliers of the main raw materials committed to the code of ethics in 2030.

Interests and views of stakeholders

ESRS 2 SBM-2

The Viscofan Group understands sustainability as the ability to create value among its various stakeholders in the short, medium and long term without compromising the well-being of future generations. In this sense, the challenges of Viscofan's global sustainability and its value chain require a collaborative approach in order to design common solutions.

Participating in a dialogue means respecting all stakeholders, contributing to Viscofan's value proposition and taking the opportunity to learn from their points of view. It is key to promote transparency in information and communication.

To achieve this commitment, appropriate communication channels have been identified and established to ensure an open dialogue and to be aware of their needs and expectations, allowing the identification and analysis of the most relevant aspects of value creation that inspire the Viscofan Group's success strategy.

In this regard, in 2024 Viscofan has developed a double impact materiality assessment taking into account the opinions of stakeholders and which in turn translates into the identification of materially important incidents, risks and opportunities. This assessment was coordinated by the Investor Relations, Communication and Sustainability Department and in which the Executive Sustainability Committee has also participated and the results have been reported to the Board's Audit Committee within the framework of the preliminary work to adapt to the regulations governing this report.

In addition, in the year Viscofan has developed and the Board of Directors approved a Net Zero Greenhouse Gas Emissions Plan within its commitment to SDG 13 Climate Action and to respond to the interests of society in general, shareholders and agents in the value chain. This plan will serve as a catalyst to minimise Viscofan's impact on Climate Change, the risks associated with it and, at the same time, represent an opportunity to improve Viscofan's reputation and an additional competitive advantage over competitors that do not have a similar strategy. See detailed description of the plan in ESRS E1 – Climate Change.

Details of stakeholders and communication channels:

Stakeholder	Specific communication channels	Sustainability issues	Value proposal
Shareholders	General Shareholders' Meeting, roadshows, conferences, telephone contact, electronic communication platforms, and via email, corporate website, shareholder services branch, etc.	Financial and reputational impact of issues	Sustainable economic growth
Employees	Intranet, global opinion poll, meetings and presentations, training sessions, direct relationship with managers, internal magazine, whistleblowing channel, bulletin boards and information screens	Accident rate at work Respect for human rights	Developing talent and skills by promoting a safe and diverse work environment
Customers	Customer satisfaction surveys, seminars and events organised by Viscofan, telephone and email technical assistance and continuous service, end-to-end claims and complaints system, active presence in trade fairs, visits to and from customers, local presence through agents and distributors, access to an extranet for customers accessible at the Viscofan Group's corporate website.	Food security crisis	Preferred option in line with its needs to improve process efficiency and sustainability. With these new businesses, Viscofan offers products that improve people's health and well-being, with end-use applications ranging from food and nutrition to biomedical and cosmetic uses.
Suppliers	Direct contact, collaboration agreements, training, assessments and audits	They face environmental and social sustainability challenges that are similar to those of Viscofan.	Alliance and respect in the search for the best solutions in our activity.
Company	Contact with the local community, civil society actors, partnership agreements, sponsorships, etc. Contact with governmental institutions, associations Collaboration with research centres and institutes in different countries	Greenhouse gas emissions Air and water surface pollution Impact on the environment due to the increase in waste disposed of	Sustainable economic growth, information transparency, territorial integration and community development

Alliances

One form of collaboration with stakeholders is to establish alliances with different entities. Viscofan has a long history of collaborating with institutions or research centres in different countries and it is part of and promotes various associations and groups that, among other things, are seeking to find ways for industry to collaborate in increasing its contribution to the material aspects of sustainability. These institutions include:

- Comité International de la Pellicule Cellulosique (CIPCEL). Based in Brussels, CIPCEL comprises the leading producers of regenerated cellulose film products.
- Collagen Casing Trade Association (CCTA). An association of leading producers of collagen casings worldwide that provides a forum for its members to discuss the development of legislation and actively promote the use of collagen casings.
- Centro Español de Plásticos (CEP). This is the Spanish association of entities relating to the manufacture and processing of plastics.
- European Association Plastic Converters (EUPC). European association that groups together national plastic converter companies and associations.
- Working group of the Gelatine and Collagen Lebensmittelverband (Germany). An organisation of German gelatin and collagen manufacturers.

- AINIA. Food technological centre based in Spain that supports the R&D tasks of its partners, especially in the areas of quality, food safety, sustainability, environment, design and industrial production.
- ANICE. The Spanish National Association of the Meat Sector is the biggest meat association in Spain to provide advice, represent and defend the sector's interests.
- National Centre for Technology and Food Safety (CNTA), the purpose of which is to provide advanced technological services to improve competitiveness in the food sector through quality and innovation and under the principle of food safety.
- CEO for Alliance for Diversity. An alliance whose mission is to uniting companies around a common and innovative vision of diversity, equity and inclusion, and accelerating the development of strategies that contribute to business excellence, the competitiveness of talent in Spain and the reduction of inequality and exclusion in Spanish society.
- AIMPLAS. The Plastics Technology Centre offers integral solutions to companies within the plastics sector through the technical implementation of R&D&i projects.
- NAITEC. Multidisciplinary Technology Centre for the Industry.
- National Centre for Renewable Energy (CENER). A prestigious technology centre recognised for its activity, both in Spain and in other countries, which carries out applied research in renewable energies and provides technological support to energy companies and institutions in five areas: wind, solar thermal, solar photovoltaic and biomass energy, energy transition in cities, grid integration, and electrical and hydrogen storage.
- Project "Development of Advanced Technologies and asset management tools for the Efficient Production of Green Hydrogen for use in the decarbonisation of Industrial Processes".
- European Business and Innovation Centre of Navarra (CEIN). A centre committed to entrepreneurship, innovation, growth and business collaboration in Navarra.
- IndesIA. An association promoting the use of artificial intelligence and big data to make Spanish industry a global benchmark.
- The Consejo España – EE. UU Foundation. A civil society initiative that promotes dialogue and aims to strengthen the ties between Spain and the United States to heighten mutual understanding.

Viscofan also collaborates with different universities and research centres:

- University of Navarre (Spain)
- Public University of Navarre (Spain)
- CIDAUT Foundation for Research and Development in Transport and Energy (Valladolid, Spain)
- MORE Institute Research (Germany)
- Hochschule Manheim Fraunhofer Institute (Germany)
- Tübingen University (Germany)
- Sao Paulo University (Brazil)
- Suzhou University (China)
- Technology University of Uruguay (UTEC)
- University of the Basque Country (Spain)

Moreover, Viscofan is importantly supported by the different administrations of the countries where it develops R&D activities, for example: the Centre for Technical Industrial Development (CDTI) and the Ministry of Economy and Competitiveness (MINECO) in Spain, the Federal Ministry of Education Research in Germany, the National Science and Technology Council (CONACYT) in Mexico, the Institute for Technological Research (IPT) in Brazil and the Federal, Illinois and New Jersey R&D Credit of the US Federal Government, the State of Illinois and the State of New Jersey.

1.1.4. Management of impacts, risks and opportunities

Information on the materiality assessment process

ESRS 2 IRO-1, ESRS 2 IRO-2

Basis and scope

The analysis of the materiality assessment is based on the Implementation Guide "materiality assessment" of the European Financial Reporting Advisory Group (EFRAG) and the Institute of Accounting and Auditing (ICAC). To do so, Viscofan engaged an external consultant expert in sustainability.

Until the current year, Viscofan has based the information to be reported in its Statement of Non-Financial Information on a materiality assessment, taking into account a double perspective reflected in Directive 2014/95/EU on the disclosure of non-financial information. However, for the purpose of this sustainability report based on the new reporting regulations, Viscofan has carried out a new materiality assessment that is detailed below.

Viscofan's incidents, risks and opportunities (IROs) in its own operations and in the value chain can be dynamic and vary over time, and this applies to both the material IROs identified in the current double materiality assessment and the non-material ones. This changing nature is due to multiple factors, such as market fluctuations, regulatory changes, technological advancements, etc. For this reason, Viscofan plans to carry out periodic reviews of the assessment and materiality through a proactive approach that ensures effective adaptation to changes in the operational context and the value chain, so as to maintain resilience and responsiveness to new challenges and opportunities. A reasonable and foreseeable timeframe for these reviews can be two years, which could allow for capturing and adjusting to a possible new reality in an ever-evolving environment.

We have identified our impacts on the environment and people based on the importance to stakeholders (impact materiality assessment). On the other hand, we have

identified the sustainability-related risks and opportunities to which we are exposed according to their strategic importance represented by the impact of the outside world on our business (financial materiality assessment). Tools have been used for the risk assessment in the case of climate change. See the description of these in the sub-section "Material impacts, risks and opportunities, their interaction with the strategy and business model and current and anticipated financial effects" in 2.1.3 of the ESRS E1 Climate Change.

For our own operations, we identify and assess impacts on people and the environment, as well as potential risks to our business from sustainability issues. In addition, we assess the impacts and risks of the entire value chain, especially on our raw materials, the use and consumption of our products and their waste. Value chain assessments have been based on internal knowledge and primarily on our top-tier suppliers.

Methodology of double materiality assessment

1. Identification

a) Understanding of the internal and external context.

With this scope and with the aim of establishing a baseline, an understanding of the context in which Viscofan's activities and commercial relationships take place has been carried out and, at the same time, an understanding of the main stakeholders affected.

In this phase, use has been made of Viscofan's current strategic plan called Beyond25, the external information made available to the public of both a financial and non-financial nature, policies, the materiality assessments of different comparable companies and the sustainability frameworks, the sustainability requirements of the different stakeholders, regulators, analysts, ESG indices and sector studies.

With this analysis of the context, environmental, social and governance issues have been identified in the operations themselves and upstream and downstream in the value chain that are relevant in the context of Viscofan.

b. Identification of actual and potential impacts, risks and opportunities related to sustainability issues

With the analysis of the internal and external context, a review has been carried out of the list of topics and their alignment with the list of sustainability issues included in the thematic ESRS established in ESRS 1, paragraph AR. 16 and in parallel also the Global Reporting Initiative standard.

An identification of internal and external stakeholders has also been carried out through the understanding of the value chain and taking into consideration the knowledge of the internal managers of the different areas with influence and affected by the potentially material aspects identified.

In this phase, stakeholder views have been taken into account indirectly, by way of the knowledge of internal managers who have continuous dialogue with them and therefore good insight into their interests and points of view. In addition, our ongoing engagement activities in the communities and associations in which we are present are a solid basis for assessing the impacts and risks that are most important to us.

See details of the stakeholders and communication channels established in the sub-section Interests and views of stakeholders of point 1.1.3.

2. Materiality assessment. Analysis and determination of material IROs related to sustainability issues

a. Identification of impacts, risks and opportunities

Of the potentially material topics, positive and negative impacts (with an inside-out approach) and risks and opportunities (outside-in approach) were identified.

b. Assessment of impacts, risks and opportunities identified and Scoring

For this phase, the criteria of managers from different areas of Viscofan with extensive experience in sustainability issues, as well as members of the board of directors and, in parallel, the opinions of stakeholders have been considered for the preparation of the double materiality matrix.

Impact materiality

In the materiality of impacts, a scale of 0 (no impact) to 5 (critical) has been established generate the severity score. The following parameters have been taken into account:

- **Magnitude:** We evaluate the dimension of the impact on the environment, people or any human rights
- **Scope:** We assess the extent of the impact from a geographical point of view, whether be local or global, and which stakeholders it affects.

- **Irreversibility:** We assess how difficult it is to reverse the damage in terms of cost and time horizon.

In addition, with respect to the possible impacts, an additional parameter of probability and time horizon has been added.

On this basis, for the actual negative impacts, each of the three above dimensions of severity has been scored and weighted equally in terms of their severity. Then, for the potential negative impacts, severity and probability have been weighted at 60/40.

For actual positive impacts, scale and scope have been scored and weighted equally in terms of severity. Then, for the potential positive impacts, severity and probability have been weighted at 50/50.

Financial materiality

For risks, using the scale from 0 (no impact) to 5 (critical), in assessing the potential magnitude, the score is based on four equally weighted parameters: Whether the risk may cause interruptions or difficulties in operations, how it would affect the growth of the business and the financial statements (Balance Sheet, P&L and Cash Flows) and if it does so materially, how it would affect access to financing or the cost of capital and how it would affect the perception and reputation of Viscofan among stakeholders. Then, the probability of occurrence of risks combined with the time horizon accounts for the other half of the score.

With respect to opportunities, the evaluation of potential magnitude is scored based on three equally weighted scales: how it would affect the growth of the business and the financial statements (Balance Sheet, P&L and Cash Flows) and if it does so materially, how it would affect access to financing or the cost of capital and how it would affect the perception and reputation of Viscofan among stakeholders. Then, the probability of occurrence of opportunities combined with the time horizon accounts for the other half of the score.

c. Threshold

Lastly, IROs are defined as material if they exceed the score threshold of 3.5. That is, those whose duality of severity and probability reflect their critical and significant nature for the Viscofan Group for one of the two material matters, both of impact and financial.

Result of the double materiality assessment

Subsequently, the results of the impact and financial material matters, including their interaction, have been consolidated, grouping the IROs based on their classification in all ESRS topics and by extension in the relevant sub-topics. Hence, according to the thresholds established and detailed above, 35 impacts, risks and opportunities have been chosen

that were evaluated as material and that are grouped in the ESRS reported in this sustainability statement.

This consolidation has been reviewed and approved by the Viscofan Group's Executive Sustainability Committee and has subsequently been presented to the Audit Committee of the Board of Directors.

In the environmental category, environmental impacts, risks and opportunities of relative importance are grouped into the topics E1-Climate Change, E2-Pollution and E5-Resource use and circular economy and are related to our vision of facilitating the feeding of millions of people thanks to our casings, which requires an energy-intensive production process that we are seeking to decarbonise, the use of raw materials and resources of natural origin, dependence on these, as well as the generation of waste in the production process.

In the social category, the material impacts, risks and opportunities are grouped into the topics S1-Own workforce and S4-Consumers and end-users. Our business model also mainly affects the people who work at Viscofan and the Consumers of the food products manufactured with our casings and other products in the new business division. We focus our efforts on achieving a safe, fair and inclusive

working environment and on producing casings with excellence in food quality.

Lastly, according to the double materiality assessment, the ESRS G1-Business conduct is a material issue and is related to the essential basis that all the people of the Group act in accordance with the principles established in the Code of Conduct and in the policies of the Regulatory Compliance System.

All assessed IROs have been mapped to their relevant ESRS standard. The impact or risk with the highest score within a topic determines the location in the matrix. With this, six of the ten ESRS topics are material for Viscofan. Each material topic of ESRS is presented in the following table, where we specify the sub-topics to which they are related. In addition, we indicate in the table whether the IROs are in our own operations or in the value chain and whether our impacts are positive or negative.

Brief descriptions of IROs detailing more information on how we respond to the effects of our impacts and risks are included in the thematic sections "Environment", "Social" and "Governance".

See below the detailed table of the Viscofan Group's IROs:

ESRS E1. Climate change				
ID	Type	Location in value chain	Time horizon	Description
Climate change mitigation				
1	Negative impact	Own operations	Short term	Impact on climate change. Greenhouse gas emissions
2	Risk	Own operations	Short term	Regulatory changes. Transition risk – Policy and Legislation
Climate change adaptation				
3	Risk	Upstream	Long term	Shortage of collagen skins. Physical risk – Temperature-related
4	Risk	Upstream	Long term	Water scarcity. Physical risk – Water-related
5	Opportunity	Downstream	Long term	Products with a lower carbon footprint
Energy				
6	Risk	Own operations	Long term	Cost of transition to low-emission technologies. Transition risk – Policy and Legislation
7	Opportunity	Own operations	Short term	Promotion of renewable and sustainable energies
8	Opportunity	Own operations	Medium term	Efficiency of production processes

ESRS E2. Pollution

ID	Type	Location in value chain	Time horizon	Description
Pollution				
9	Negative impact	Own and downstream operations	Short term	Air and water pollution and the generation of microplastics in production processes.
10	Positive impact	Own operations	Short term	Investment in available technologies for the filtering and washing of emissions and the treatment and discharge of water that mitigate the risk of water pollution.
11	Risk	Own operations	Short term	Imposition of fines and penalties and implementation of corrective actions as a result of litigation arising from non-compliance in matters of pollution.

ESRS E5. Resource use and circular economy

ID	Type	Location in value chain	Time horizon	Description
Resource inflows, including resource use				
12	Risk	Upstream	Long term	Unavailability of raw materials of natural origin
Resource outflow related to products and services				
13	Risk	Own operations	Short term	Plastic products. Taxation
14	Risk	Downstream	Long term	Plastic products. Decrease in demand
15	Opportunity	Downstream	Long term	Customer and consumer preference for casings of natural or biodegradable origin
16	Opportunity	Downstream	Long term	Development with the customer of products that allow a better use of resources
17	Negative impact	Downstream	Medium term	Impact on the environment due to the increase in waste disposed of
Waste				
18	Opportunity	Downstream	Medium term	Recovery of cellulose casing waste at the customer.
19	Opportunity	Own operations	Long term	Waste recovery. Reduction of the cost in management and use as a source of energy mainly
20	Risk	Own operations	Long term	Waste disposal. Increased restrictions from the administrations and the cost of managing them

ESRS S1. Own workforce

ID	Type	Location in value chain	Time horizon	Description
Working conditions				
21	Negative impact	Own operations	Short term	Illnesses and accidents in the workplace
22	Opportunity	Own operations	Short term	Increased knowledge, continuous improvement and productivity
23	Opportunity	Own operations	Short term	Long-term loyalty and commitment
24	Risk	Own operations	Short term	Failure to comply with working conditions
25	Risk	Own operations	Short term	Deterioration of the work environment, labour conflicts
Equal treatment and opportunities for all				
26	Positive impact	Own operations	Short term	Capacity building, diversity and professional talent
27	Negative impact	Own operations	Short term	Inadequate working conditions and remuneration structures
Other labour rights				
28	Opportunity	Own operations	Short term	Protección social, estabilidad económica y equilibrio personal

ESRS S4. Consumers and end-users

ID	Type	Location in value chain	Time horizon	Description
Personal safety of consumers. Health and safety				
29	Negative impact	Downstream	Short term	Food security crisis
30	Risk	Own operations	Short term	Failure to meet quality standards or a food safety crisis can lead to lawsuits and reputational damage.
31	Risk	Downstream	Medium term	Losing market position due to regulatory requirements in terms of food safety.
32	Opportunity	Downstream	Medium term	To make it easier to feed an affordable protein to millions of households around the world.
33	Opportunity	Own operations	Medium term	Product safety and quality as a competitive advantage to lead the casing market.

ESRS G1 Business Conduct

ID	Type	Location in value chain	Time horizon	Description
Corporate culture				
34	Opportunity	Own operations	Short term	Compliance through a culture of shared values
35	Opportunity	Own operations	Short term	Maintaining a good corporate reputation
36	Risk	Downstream	Short term	Loss of customers and business partners
37	Risk	Own operations	Medium term	Decrease in the Viscofan share price
Corruption and bribery				
38	Risk	Own operations	Short term	No cumplimiento de las normativas, reglamentos y leyes. Sanciones de carácter económico

List of disclosure requirements under ESRS

Standard	Cross-cutting/ Topic	RDs	Description of RDs	DP	Section
ESRS 2	General Disclosures	BP-1	General basis for preparation of sustainability statements	3; 4; 5 (a); 5 (b) i.; 5 (b) ii.; 5 (c); 5 (d); 5 (e)	1.1.1.Bases of presentation
ESRS 2	General Disclosures	BP-2	General basis for preparation of the sustainability statements Disclosures in relation to specific circumstances Disclosures in relation to specific circumstances – Time horizons Disclosures in relation to specific circumstances - Value chain estimation Disclosures in relation to specific circumstances - Sources of estimation and uncertainty of the result Disclosures in relation to specific circumstances - Changes in preparation or presentation of sustainability information Disclosures in relation to specific circumstances - Reporting errors in prior periods Disclosures in relation to specific circumstances - Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements - Disclosures in relation to specific circumstances – Incorporation by reference - Disclosures in relation to specific circumstances – Use of phase-in provisions under Appendix C of ESRS 1.	6; 7; 8; 9 (a); 9 (b); 10 (a); 10 (b); 10 (c); 10 (d); 11 (a); 11 (b) i.; 11 (b) ii.; 12; 13 (a); 13 (b); 13 (c); 14 (a); 14 (b); 14 (c); 15; 16; 17 (a); 17 (b); 17 (c); 17 (d); 17 (e)	1.1.1.Bases of presentation
ESRS 2	General Disclosures	GOV-1	The role of administrative, management and supervisory bodies	19; 20 (a); 20 (b); 20 (c); 21 (a); 21 (b); 21 (c); 21 (d); 21 (e); 22 (a); 22 (b); 22 (c) i.; 22 (c) ii.; 22 (c) iii.; 22 (d); 23 (a); 23 (b)	1.1.2.Governance The role of administrative, management and supervisory bodies
ESRS 2	General Disclosures	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	24; 25; 26 (a); 26 (b); 26 (c)	1.1.4.Management of impacts, risks and opportunities
ESRS 2	General Disclosures	GOV-3	Integration of sustainability-related performance in incentive schemes	27; 28; 29 (a); 29 (b); 29 (c); 29 (d); 29 (e)	remuneration. Integration of sustainability-related performance in incentive schemes.
ESRS 2	General Disclosures	GOV-4	Due diligence statement	30; 31; 32; 33	Good governance, due diligence statement and business conduct policies.
ESRS 2	General Disclosures	GOV-5	Risk management and internal controls over sustainability reporting	34; 35; 36 (a); 36 (b); 36 (c); 36 (d); 36 (e)	Risk management and internal controls over sustainability reporting.
ESRS 2	General Disclosures	SBM-1	Strategy, business model and value chain	38; 39; 40 (a) i.; 40 (a) ii.; 40 (a) iii.; 40 (a) iv.; 40 (b); 40 (c); 40 (d) i.; 40 (d) ii.; 40 (d) iii.; 40 (d) iv.; 40 (e); 40 (f); 40 (g); 41; 42 (a); 42 (b); 42 (c)	Strategy, business model and value chain.
ESRS 2	General Disclosures	SBM-2	Interests and views of stakeholders	43; 44; 45 (a) i.; 45 (a) ii.; 45 (a) iii.; 45 (a) iv.; 45 (a) v.; 45 (b); 45 (c) i.; 45 (c) ii.; 45 (c) iii.; 45 (d)	Interests and views of stakeholders.
ESRS 2	General Disclosures	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	46; 47; 48 (a); 48 (b); 48 (c) i.; 48 (c) ii.; 48 (c) iii.; 48 (c) iv.; 48 (d); 48 (e) i.; 48 (e) ii.; 48 (f); 48 (g); 48 (h); 49	Materially important incidents, risks and opportunities, their interaction with the strategy and business model and current and expected financial effects.
ESRS 2	General Disclosures	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	51; 52; 53 (a); 53 (b) i.; 53 (b) ii.; 53 (b) iii.; 53 (b) iv.; 53 (c) i.; 53 (c) ii.; 53 (c) iii.; 53 (d); 53 (e); 53 (f); 53 (g); 53 (h)	Information on the materiality assessment process.
ESRS 2	General Disclosures	IRO-2	Disclosure requirements set out in the ESRS covered by the company's sustainability statement	54; 55; 56; 57; 58; 59	Result of the double materiality assessment.

ESRS 2	General Disclosures	MDR-P	Policies adopted to manage materially important sustainability issues	63; 64; 65 (a); 65 (b); 65 (c); 65 (d); 65 (e); 65 (f)	Policies related to each of the material issues. Climate change Pollution. Resource use and circular economy. Own workforce.
ESRS 2	General Disclosures	MDR-A	Actions and resources in relation to material sustainability matters	66; 67; 68 (a); 68 (b); 68 (c); 68 (d); 68 (e); 69 (a); 69 (b); 69 (c)	Actions and resources in relation to each of the material matters. Climate change Pollution Resource use and circular economy Own workforce Consumers and end-users.
ESRS 2	General Disclosures	MDR-M	Metrics for material sustainability matters	73; 74; 75; 76; 77 (a); 77 (b); 77 (c); 77 (d)	Metrics for each of the material matters. Climate change Pollution Resource use and circular economy Own workforce
ESRS 2	General Disclosures	MDR-T	Monitoring the effectiveness of policies and actions through targets	78; 79 (a); 79 (b); 79 (c); 79 (d); 79 (e); 80 (a); 80 (b); 80 (c); 80 (d); 80 (e); 80 (f); 80 (g); 80 (h); 80 (i); 80 (j); 81 (a); 81 (b) i.; 81 (b) ii.	Consumers and end-users.
ESRS E1	Climate change	GOV-3	Integration of sustainability-related performance in incentive schemes	13	2.1.2. Governance
ESRS E1	Climate change	E1-1	Transition plan for climate change mitigation	14; 15; 16 (a); 16 (b); 16 (c); 16 (d); 16 (e); 16 (f); 16 (g); 16 (h); 16 (i); 16 (j); 17	2.1.3. Strategy Plan de transición para la mitigación del cambio climático.
ESRS E1	Climate change	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	18; 19 (a); 19 (b); 19 (c)	2.2.1. Management of impacts, risks and opportunities
ESRS E1	Climate change	IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	20 (a); 20 (b) i.; 20 (b) ii.; 20 (c) i.; 20 (c) ii.; 21	2.1.4. Management of impacts, risks and opportunities
ESRS E1	Climate change	E1-2	Policies related to climate change mitigation and adaptation	22; 23; 24; 25 (a); 25 (b); 25 (c); 25 (d); 25 (e)	2.1.4. Management of impacts, risks and opportunities
ESRS E1	Climate change	E1-3	Actions and resources in relation to climate change policies	26; 27; 28; 29 (a); 29 (b); 29 (c) i.; 29 (c) ii.; 29 (c) iii.	2.1.4. Management of impacts, risks and opportunities
ESRS E1	Climate change	E1-4	Targets related to climate change mitigation and adaptation	30; 31; 32; 33; 34 (a); 34 (b); 34 (c); 34 (d); 34 (e); 34 (f)	2.1.5. Metrics and targets
ESRS E1	Climate change	E1-5	Energy consumption and mix	35; 36; 37 (a); 37 (b); 37 (c) i.; 37 (c) ii.; 37 (c) iii.; 38 (a); 38 (b); 38 (c); 38 (d); 38 (e); 39; 40; 41; 42; 43	2.1.5. Metrics and targets
ESRS E1	Climate change	E1-6	Gross Scope 1, 2 and 3 GHG emissions and total GHG emissions	44 (a); 44 (b); 44 (c); 44 (d); 45 (a); 45 (b); 45 (c); 45 (d); 46; 47; 48 (a); 48 (b); 49 (a); 49 (b); 50 (a); 50 (b); 51; 52 (a); 52 (b); 53; 54; 55	2.1.5. Metrics and targets
ESRS E1	Climate change	E1-7	GHG intensity based on net revenue	56 (a); 56 (b); 57 (a); 57 (b); 58 (a); 58 (b); 59 (a); 59 (b); 60; 61 (a); 61 (b); 61 (c)	2.1.5. Metrics and targets
ESRS E1	Climate change	E1-8	GHG removals and GHG mitigation projects financed through carbon credits	62; 63 (a); 63 (b); 63 (c); 63 (d)	2.1.5. Metrics and targets
ESRS E1	Climate change	E1-9	Internal carbon pricing	64 (a); 64 (b); 64 (c); 65 (a); 65 (b); 66 (a); 66 (b); 66 (c); 66 (d); 67 (a); 67 (b); 67 (c); 67 (d); 67 (e); 68 (a); 68 (b); 69 (a); 69 (b); 70	2.2.2. Metrics and targets
ESRS E1	Climate change	E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities		
ESRS E2	Pollution	IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	11 (a); 11 (b)	2.2.1. Management of impacts, risks and opportunities
ESRS E2	Pollution	E2-1	Pollution-related policies	12; 13; 14; 15 (a); 15 (b); 15 (c)	2.2.1. Management of impacts, risks and opportunities
ESRS E2	Pollution	E2-2	Pollution-related actions and resources	16; 17; 18; 19 (a); 19 (b); 19 (c)	2.2.1. Management of impacts, risks and opportunities

ESRS E2	Pollution	E2-3	Targets related to pollution	20; 21; 22; 23 (a); 23 (b); 23 (c); 23 (d); 24 (a); 24 (b); 24 (c); 25	2.2.2. Metrics and targets
ESRS E2	Pollution	E2-4	Pollution of air, water and soil	26; 27; 28 (a); 28 (b); 29; 30 (a); 30 (b); 30 (c); 31	2.2.2. Metrics and targets
ESRS E2	Pollution	E2-5	Substances of concern and substances of very high concern	32; 33; 34; 35	2.2.2. Metrics and targets
ESRS E2	Pollution	E2-6	Anticipated financial effects from material pollution-related risks and opportunities	36; 37; 38 (a); 38 (b); 39 (a); 39 (b); 39 (c); 40 (a); 40 (b); 40 (c); 41	2.2.2. Metrics and targets
ESRS E5	Circular economy	IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	11 (a); 11 (b)	2.3.1. Management of impacts, risks and opportunities
ESRS E5	Circular economy	E5-1	Policies related to resource use and circular economy	12; 13; 14; 15 (a); 15 (b); 16	2.3.1. Management of impacts, risks and opportunities
ESRS E5	Circular economy	E5-2	Actions and resources related to resource use and circular economy	17; 18; 19; 20 (a); 20 (b); 20 (c); 20 (d); 20 (e); 20 (f)	2.3.1. Management of impacts, risks and opportunities
ESRS E5	Circular economy	E5-3	Targets related to resource use and the circular economy	21; 22; 23; 24 (a); 24 (b); 24 (c); 24 (d); 24 (e); 24 (f); 25; 26 (a); 26 (b); 26 (c); 27	2.3.2. Parámetros y metas
ESRS E5	Circular economy	E5-4	Resource inflows	28; 29; 30; 31 (a); 31 (b); 31 (c); 32	2.3.2. Metrics and targets
ESRS E5	Circular economy	E5-5	Resource outflows	33; 34 (a); 34 (b); 35; 36 (a); 36 (b); 36 (c); 37 (a); 37 (b) i; 37 (b) ii; 37 (b) iii; 37 (c) i; 37 (c) ii; 37 (c) iii; 37 (d); 38 (a); 38 (b); 39; 40	2.3.2. Metrics and targets
ESRS E5	Circular economy	E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	41; 42 (a); 42 (b); 43 (a); 43 (b); 43 (c)	2.3.1. Management of impacts, risks and opportunities
ESRS S1	Own workforce	SBM-2	Interests and views of stakeholders	12	3.1.2. Management of impacts, risks and opportunities
ESRS S1	Own workforce	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	13 (a); 13 (b); 14 (a); 14 (b); 14 (c); 14 (d); 14 (e); 14 (f) i; 14 (f) ii; 14 (g) i; 14 (g) ii; 15; 16	3.1.1. Strategy
ESRS S1	Own workforce	S1-1	Policies related to own workforce	17; 18; 19; 20 (a); 20 (b); 20 (c); 21; 22; 23; 24 (a); 24 (b); 24 (c); 24 (d)	3.1.2. Management of impacts, risks and opportunities
ESRS S1	Own workforce	S1-2	Processes for engaging with own workforce and workers' representatives about impacts	25; 26; 27 (a); 27 (b); 27 (c); 27 (d); 27 (e); 28; 29	3.1.2. Management of impacts, risks and opportunities
ESRS S1	Own workforce	S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	30; 31; 32 (a); 32 (b); 32 (c); 32 (d); 32 (e); 33; 34	3.1.2. Management of impacts, risks and opportunities
ESRS S1	Own workforce	S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	35; 36 (a); 36 (b); 37; 38 (a); 38 (b); 38 (c); 38 (d); 39; 40 (a); 40 (b); 41; 42; 43	3.1.2. Management of impacts, risks and opportunities
ESRS S1	Own workforce	S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	44 (a); 44 (b); 44 (c); 45; 46; 47 (a); 47 (b); 47 (c)	3.1.3. Metrics and targets
ESRS S1	Own workforce	S1-6	Characteristics of the undertaking's employees	48; 49; 50 (a); 50 (b) i; 50 (b) ii; 50 (b) iii; 50 (c); 50 (d) i; 50 (d) ii; 50 (e); 50 (f); 51; 52 (a); 52 (b)	3.1.3. Metrics and targets
ESRS S1	Own workforce	S1-7	Characteristics of non-employee workers in the undertaking's own workforce	53; 54; 55 (a); 55 (b) i; 55 (b) ii; 55 (c); 56; 57	3.1.3. Metrics and targets
ESRS S1	Own workforce	S1-8	Collective bargaining coverage and social dialogue	58; 59; 60 (a); 60 (b); 60 (c); 61; 62; 63 (a); 63 (b)	3.1.3. Metrics and targets
ESRS S1	Own workforce	S1-9	Diversity metrics	64; 65; 66 (a); 66 (b)	3.1.3. Metrics and targets
ESRS S1	Own workforce	S1-10	Adequate wages	67; 68; 69; 70; 71	3.1.3. Metrics and targets
ESRS S1	Own workforce	S1-11	Social protection	72; 73; 74 (a); 74 (b); 74 (c); 74 (d); 74 (e); 75; 76	3.1.3. Metrics and targets
ESRS S1	Own workforce	S1-12	Persons with disabilities	77; 78; 79; 80	3.1.3. Metrics and targets
ESRS S1	Own workforce	S1-13	Training and skills development metrics	81; 82; 83 (a); 83 (b); 84; 85	3.1.3. Metrics and targets
ESRS S1	Own workforce	S1-14	Health and safety metrics	86; 87; 88 (a); 88 (b); 88 (c); 88 (d); 88 (e); 89; 90	3.1.3. Metrics and targets
ESRS S1	Own workforce	S1-15	Work-life balance metrics	91; 92; 93 (a); 93 (b); 94	3.1.3. Metrics and targets
ESRS S1	Own workforce	S1-16	Compensation metrics (pay gap and total compensation)	95; 96; 97 (a); 97 (b); 97 (c); 98; 99	3.1.3. Metrics and targets

ESRS S1	Own workforce	S1-17	Incidents, complaints and severe human rights impacts	100; 101; 102; 103 (a); 103 (b); 103 (c); 103 (d); 104 (a); 104 (b)	3.1.3. Metrics and targets
ESRS S4	Consumers and end-users	SBM-2	Interests and views of stakeholders	8	3.2.1. Strategy
ESRS S4	Consumers and end-users	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	9 (a); 9 (b); 10 (a) i.; 10 (a) ii.; 10 (a) iii.; 10 (a) iv.; 10 (b); 10 (c); 10 (d); 11; 12	3.2.1. Strategy
ESRS S4	Consumers and end-users	S4-1	Policies related to consumers and end-users	13; 14; 15; 16 (a); 16 (b); 16 (c); 17	3.2.2. Management of impacts, risks and opportunities
ESRS S4	Consumers and end-users	S4-2	Processes for engaging with consumers and end-users about impacts	18; 19; 20 (a); 20 (b); 20 (c); 20 (d); 21; 22	3.2.2. Management of impacts, risks and opportunities
ESRS S4	Consumers and end-users	S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	23; 24; 25 (a); 25 (b); 25 (c); 25 (d); 26; 27	3.2.2. Management of impacts, risks and opportunities
ESRS S4	Consumers and end-users	S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	28; 29 (a); 29 (b); 30; 31 (a); 31 (b); 31 (c); 31 (d); 32 (a); 32 (b); 32 (c); 33 (a); 33 (b); 34; 35; 36; 37	3.2.2. Management of impacts, risks and opportunities
ESRS S4	Consumers and end-users	S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	38 (a); 38 (b); 38 (c); 39; 40; 41 (a); 41 (b); 41 (c)	3.2.3. Metrics and targets
ESRS G1	Business conduct	GOV-1	The role of administrative, management and supervisory bodies	5 (a); 5 (b)	1.1.2. Governance
ESRS G1	Business conduct	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	6	4.1.2. Management of impacts, risks and opportunities
ESRS G1	Business conduct	G1-1	Corporate culture and business conduct policies	7; 8; 9; 10 (a); 10 (b); 10 (c) i.; 10 (c) ii.; 10 (d); 10 (e); 10 (f); 10 (g); 10 (h); 11	4.1.2. Management of impacts, risks and opportunities
ESRS G1	Business conduct	G1-2	Management of relationships with suppliers	12; 13; 14; 15 (a); 15 (b)	4.1.2. Management of impacts, risks and opportunities
ESRS G1	Business conduct	G1-3	Prevention and detection of corruption and bribery	16; 17; 18 (a); 18 (b); 18 (c); 19; 20; 21 (a); 21 (b); 21 (c)	4.1.2. Management of impacts, risks and opportunities
ESRS G1	Business conduct	G1-4	Confirmed incidents of corruption or bribery	22; 23; 24 (a); 24 (b); 25 (a); 25 (b); 25 (c); 25 (d); 26	4.1.2. Management of impacts, risks and opportunities
ESRS G1	Business conduct	G1-5	Political influence and lobbying activities	27; 28; 29 (a); 29 (b) i.; 29 (b) ii.; 29 (c); 29 (d); 30	4.1.2. Management of impacts, risks and opportunities
ESRS G1	Business conduct	G1-6	Payment practices	31; 32; 33 (a); 33 (b); 33 (c); 33 (d)	4.1.2. Management of impacts, risks and opportunities

List of data points included in cross-cutting standards and thematic standards derived from other EU legislation

The Sustainability Statement has not taken into account aspects derived from other EU legislation not related to the Group's sector of activity, such as Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (OJ L 317, 9.12.2019, p. 1), Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation, "CRR") (OJ L 176, 27.6.2013, p.

1), Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as references in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1) and (6) Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 with regard to disclosure of information on environmental, social and governance risks (OJ L 324, 19.12.2022, p. 1).

The cross-cutting standards for the material aspects taken into account are the following:

Disclosure requirement and related data point	Reference to the Regulation on benchmarks (3)	Reference to European Climate Legislation (4)	Reference
ESRS 2 GOV-1 Gender diversity of the board of directors section 21, letter d)	Commission Delegated Regulation (EU) 2020/1816 (5), Annex II		GOV-1: The role of the administrative, management and supervisory bodies
ESRS 2 GOV-1 Percentage of board members who are independent, paragraph 21 e)	Delegated Regulation (EU) 2020/1816, Annex II		GOV-1: The role of the administrative, management and supervisory bodies
ESRS 2 SBM-1 Participation in activities related to fossil fuels section 40, letter d), subparagraph i)	Delegated Regulation (EU) 2020/1816, Annex II		SBM-1: Strategy, business model and value chain
ESRS 2 SBM-1 Participation in activities related to the production of chemical substances section 40, letter d), subparagraph ii)	Delegated Regulation (EU) 2020/1816, Annex II		SBM-1: Strategy, business model and value chain
ESRS 2 SBM-1 Participation in activities related to controversial weapons section 40(d)(iii)	Delegated Regulation (EU) 2020/1818 (7), Article 12, paragraph 1 Delegated Regulation (EU) 2020/1816, Annex II		SBM-1: Strategy, business model and value chain
ESRS 2 SBM-1 Participation in activities related to the cultivation and production of tobacco section 40, letter d), subparagraph iv)	Delegated Regulation (EU) 2020/1818, Article 12, paragraph 1 Delegated Regulation (EU) 2020/1816, Annex II		SBM-1: Strategy, business model and value chain
ESRS E1-1 Transition plan to achieve climate neutrality by 2050 section 14		Regulation (EU)- 2021/1119, Article 2, paragraph 1	E1-1: Transition plan for climate change mitigation
ESRS E1-1 Companies excluded from the benchmarks harmonized with the Paris Agreement section 16, letter g)	Delegated Regulation (EU) 2020/1818, Article 12(1)(d) to (g) and Article 12(2)		E1-1: Transition plan for climate change mitigation
ESRS E1-4 GHG Emission Reduction Targets Section 34	Delegated Regulation (EU) 2020/1818, Article 6		E1-4: Targets related to climate change mitigation and adaptation
ESRS E1-6 Gross GHG emissions of scope 1, 2 and 3 and total GHG emissions section 44	Delegated Regulation (EU) 2020/1818, Article 5(1) and Articles 6 and 8(1)		E1-6: Gross GHG emissions of scope 1, 2 and 3 and total GHG emissions
ESRS E1-6 Gross GHG emissions intensity sections 53 to 55	Delegated Regulation (EU) 2020/1818, Article 8, paragraph 1		E1-6: Gross GHG emissions of scope 1, 2 and 3 and total GHG emissions
ESRS E1-7 GHG Removals and Carbon Credits Section 56		Regulation (EU)- 2021/1119, Article 2, paragraph 1	E1-7: GHG removals and GHG mitigation projects financed through carbon credits
ESRS S1-1 Due diligence policies regarding matters referred to in fundamental conventions 1 to 8 of the International Labour Organization, paragraph 21	Delegated Regulation (EU) 2020/1816, Annex II		S1-1: Policies related to own personnel
ESRS S1-14 Number of fatalities and number and rate of occupational accidents section 88, letters b) and c)	Delegated Regulation (EU) 2020/1816, Annex II		S1-14: Health and safety parameters
ESRS S1-16 Gender pay gap, unadjusted, section 97, letter a)	Delegated Regulation (EU) 2020/1816, Annex II		S1-16: Compensation parameters (wage gap and total compensation)
ESRS S1-17. Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 104(a).	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12, paragraph 1		S1-17: Incidents, complaints and serious incidents related to human rights
ESRS S1-1. Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 19	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12, paragraph 1		S1-1: Policies related to own personnel and MDR-P Good governance, declaration of due diligence and policies business conduct in 1.1.2. Governance

ESRS S4-1 Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 17	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12, paragraph 1	S4-1: Policies related to consumers and end users
ESRS G1-4 Fines for violating anti-corruption and bribery laws, section 24(a)	Delegated Regulation (EU) 2020/1816, Annex II	G1-4: Goals, Zero cases of corruption or bribery



General process for the management of impacts and risks of the Viscofan Group

ESRS 2 IRO-1 and ESRS 2 GOV-2

Impact and risk management ensures that the desire to create value for our stakeholders is balanced with the risks and impacts associated with business, commercial, operational, labour, financial and social initiatives, as established in the sustainability policy both in the operations themselves and as a result of business operations.

Governance, management and oversight bodies play a critical role in considering impacts, risks and opportunities by overseeing the Beyond25 strategy and Sustainability Action Plan, decisions on major deals and the risk management process. This is carried out on the basis of the specific powers assigned to them, which are detailed at the level of the Board Committees, at the management level and on specific topics in different committees. Its comprehensive approach ensures that the company's strategy is aligned with its objectives and that impacts, risks and opportunities are managed effectively.

The impact and risk management system is the responsibility of the Board of Directors, which delegates its supervision and proper functioning to the Audit Committee. Likewise, the Viscofan Group has different bodies charged with the supervision and control of different risks that could arise in the course of Viscofan's activities with different level of occurrence and materiality:

- Internal audit: Its function is to promote the application of risk management in all activities and to supervise that the relevant risks are adequately identified, assessed, managed and controlled. It has a broad presence on specific committees.
- Ethics and Regulatory Compliance Committee: This is the body responsible for supervising the risks specific to the Group with regard to criminal liability or any other non-compliance, and for assessing, implementing and monitoring the Regulatory Compliance System.
- Global Risk Committee: this is a body whose purpose is to identify and assess the main risks threatening the Viscofan Group, making a deeper analysis of their organisation and recommendations for the actions required to manage the risks within the established margins.
- Credit Risk Committee: It is established as a supervisory and control body for those risks related to customer payment management. The objective of this Committee is to delve into the prevention, monitoring and solution of the risks mentioned, via the creation and implementation of the instruments considered most appropriate at the time.
- Investments Committee: Its main objective is to control and oversee compliance with the Investment Plan approved by the Board of

Directors. To achieve this, it meets on a quarterly basis for the purposes of performing periodic follow-up checks on the correct application of approved investments and controlling the efficient use of Group resources and investments.

- Cyber Security Committee: Responsible for defining the Group's strategic cybersecurity objectives, promoting secure information management and guaranteeing the state of protection, as well as regularly monitoring regulatory compliance, projects and risk situations and incidents.
- Executive Sustainability Committee: This is the body responsible for coordinating and supervising the Sustainability Action Plan, the initiatives, work plans and long-term objectives for the same.
- Senior management: Responsible for identifying and assessing the risks and impacts faced by the Group in the course of its activity and taking appropriate measures to prevent their materialisation or, in the event of an occurrence, to reduce or eliminate their impact. Therefore, it plays a fundamental role in designing and implementing control mechanisms and ensuring their fulfilment across the organisation.

In management, Viscofan uses a comprehensive control and management system that is applicable in all companies and is developed in accordance with the basic principles of integration in management, adaptation to changes, transparency and adoption of continuous improvement.

Impacts and potential risks are considered when monitoring and adjusting the company's strategy as a basis for making decisions that strengthen Viscofan's resilience and allow for proactive adaptation to market changes. To this end, Viscofan has an identification, assessment and mitigation system that covers all operational areas based on international reference frameworks and best practices to ensure structured and efficient risk and impact management.

Moreover, the Viscofan Group monitors the values of the risk indicators and the defined thresholds according to their severity and probability, so that when these thresholds were exceeded the required management measures are taken to redirect the risks to the defined tolerance level. Viscofan seeks to reinforce the control system, promoting a solid business model and enabling incidents and risks to be confronted in a controlled manner.

The aim of the risk and impact management policy is to identify and assess events as soon as possible, based on the Code of Conduct, the internal regulations and the strategic plan, to maintain constant contact with stakeholders, and to take adequate measures to reduce them and, in some cases, they can present opportunities.

Management and supervisory bodies also promote a culture of risk management throughout the organisation. Through training and clear policies, they seek to ensure that all people understand the importance of timely risk and impact identification and reporting. In addition, regular audits and compliance reviews are conducted to ensure that risk

control measures are effective and kept up to date. This proactive approach allows Viscofan not only to react to impacts and risks, but also to anticipate possible threats, thus maintaining a position of competitive advantage and ensuring long-term sustainability.

Viscofan has approved a risk management control policy, whose purpose is to set the basic principles and the general action framework to identify, measure, prevent and mitigate risks of all types that may affect the attainment of the strategic objectives. This system includes people and environment.

The system includes the following activities:

- a. Identify the main financial and non-financial/sustainability risks taking into account their impact on the creation of sustainable and shared value for the Viscofan Group's stakeholders within the Strategic Plan in force at any given time and evaluate their probability of occurrence and impact in order to prioritise them accordingly. Based on this, the system also takes account of the connections of impacts and dependencies with risks and opportunities.
- b. Determine risk appetite by establishing tolerances and suitably monitor their development with key risk indicators, used as input parameters depending on the risk.
- c. Implement a control system integrated into the internal rules and regulations of the Viscofan Group, including the identification and evaluation of the controls and contingency plans necessary to mitigate the impact of the materialisation of risks.
- d. Assess the efficiency of the control system and its application, as well as its compliance by all the Viscofan Group employees.
- e. Establishing action plans in the event that the occurrence of one of the main risks negatively affects the creation of long-term sustainable value, taking residual risk to an acceptable risk level. As a direct consequence of this reduction in the level of risk, it will be necessary and appropriate to reassess and prioritise these risks, forming a continuous process of risk management.
- f. Auditing of the system by the Internal Audit Division.

Viscofan's risk map is defined in accordance with the code of conduct, internal regulations and the current Strategic Plan, which includes different types of risks (market, business, operational, credit, social, environmental, climate change, technological, legal and regulatory), and is presented adopting the COSO methodology, grouping the existing risks in four categories in accordance with the type of objective they affect: strategic, operational, information and compliance.

The information in reference to impact and risk management has been set forth in greater detail in section E) of the Annual Corporate Governance Report. In this section, the Viscofan Group describes the main financial and non-financial risks, the bodies responsible for drawing up and enforcing the financial and non-financial risk management system, the level of tolerance, the risks occurred in the year and the plans to respond to and supervise the main risks.

2

Environmental information



2.1. ESRS E1. Climate change

Viscofan is committed to energy efficiency and global climate protection. We seek to reduce the intensity of our atmospheric emissions by investing in and developing more efficient production technology, increasing the use of renewable energy and leading the change in the industry. We also wish to positively influence the value chain, through sustainable casings that help our customers to reduce their emissions.

Current and potential impacts, risks and opportunities

Negative impacts

- Impact on climate change. Greenhouse gas emissions.

Opportunities

- Products with a lower carbon footprint.
- Efficiency of production processes.
- Promotion of renewable and sustainable energies.

Risks

- Shortage of collagen skins. Physical risk – Temperature-related.
- Water scarcity. Physical risk – Water-related.
- Regulatory changes. Transition risk – Policy and Legislation.
- Cost of transition to low-emission technologies. Transition risk – Policy and Legislation.

Policies and commitments

- Sustainability Policy.
- Climate Change Policy.
- Environmental management system based on ISO 14001.
- ISO 50001 energy efficiency certificates.

Sustainability objectives

- Net Zero target for Scope 1 and 2 emissions.
- Reducing the intensity of water collection per meter produced.

Governance

- Board of Directors. Appointments, Remuneration and Sustainability Committee, Audit Committee.
- Executive Sustainability Committee.
- CEO.
- Department of Investor Relations, Communication and Sustainability.
- Operational Sustainability Department.
- Executive Sustainability Subcommittee.

2.1.1 Interaction with other ESRS

Although other material aspects of sustainability included in the standard have been excluded on the basis of the double materiality analysis, climate change also has an impact on the ESRS E2 – Pollution with respect to ozone-depleting substances, ESRS E3 – Water resources, ESRS E4 – Biodiversity, as well as ESRS E1 – Own workforce, ESRS E2 – Workers in the value chain, ESRS S3 – Affected communities, and ESRS S4 – Consumers and end-users.



2.1.2. Governance

ESRS 2 GOV-1 and ESRS 2 GOV-3

Climate change is a significant aspect identified in the materiality analysis and, as such, is included in the Group's operating management processes. It is an essential part of our risk mitigation in our Sustainability Action Plan. See ESRS 2 section General Disclosures – 1.1.2. Governance.

In this context, the remuneration systems for members of the Board of Directors and employees are aligned with the Beyond25 strategy and include non-financial objectives related to sustainability, given its importance as one of the four strategic pillars. Climate change indicators as a material aspect are integrated into our short- and long-term incentives. See in the ESRS 2 section General Disclosures – 1.1.2. Governance.



2.1.3. Strategy

Transition plan for climate change mitigation

ESRS E1-1

Having met the 2030 target of a 30% reduction in the intensity of scope 1 and 2 emissions on metres of extruded casings by 2023, the Executive Sustainability Committee has drawn up a climate transition plan within its Sustainability Action Plan. The transition plan has been approved by the Board of Directors at its December 2024 meeting.

Viscofan has set climate objectives in line with the provisions of the Paris Agreement with the aim of making our business model compatible with the transition to a sustainable economy, and with the limitation of global warming to 1.5°C that seeks a significant reduction in direct and indirect emissions.

This plan is part of Viscofan Group's Sustainability Action Plan, 2022-2025, in accordance with the Beyond25 strategy. Since climate change is a material element for Viscofan, we are seeking to combine the decarbonisation of operations with energy diversification by reducing dependence on fossil fuels such as natural gas.

Our ambition is to reach net zero greenhouse gas emissions by 2050 with a roadmap based on an intermediate target of 45%-50% absolute reduction of direct emissions (scope 1) and emissions derived from electricity consumption (scope 2 – market-based) by 2030 (absolute terms) compared to the 2018 baseline. In terms of scope 3 emissions, this metric is being reported for the first time this year, and therefore no specific initiatives or plans for improvement have been established. This line of work will be addressed by the different bodies in the 2025 financial year.

The target for scope 1 and 2 emissions uses the 2018 emissions figure as a reference (the base year for all other sustainability targets).

Viscofan's Net Zero Plan is based on five strategic axes:

- Promotion and investment in equipment for the use of green hydrogen and biofuels, biomass.
- Electrification of operations.
- Promotion of electricity sourcing from renewable sources.
- Implementation of energy efficiency measures.
- Remuneration incentives linked to decarbonisation.

The Net Zero plan does not allow for changes in Viscofan's product portfolio, or the adoption of new technologies in operations or in the value chain, with the exception of those necessary for the production, distribution and use of renewable energy and energy efficiency measures.

The investments associated with this plan until 2030 have been estimated at €14.5 million, including electric boilers and biomass and energy efficiency measures in production facilities. The investments already made until 2024 (59%) and the remaining estimated investments will be financed with Viscofan's own resources. These investments do not represent a relevant part of Viscofan's total asset base and have not been identified as a CapEx plan in accordance with the requirements of Commission Delegated Regulation (EU) 2021/2139. Note 25 reports the investments and expenses associated with the environment and climate change for the year, including those under the Net Zero plan.

As for the decarbonisation levers, we expect to achieve a 45% to 50% reduction in scope 1 and 2 GHG emissions by 2030 compared to 2018, based on projects already carried out and underway; in the case of green hydrogen and other biofuels, this will depend on their availability at a competitive cost. From 2030, concrete measures will be defined according to the available technologies and the expected progress. Reduction initiatives and targets in absolute terms are considered possible as long as there is technological availability of hydrogen (fundamentally), biogas or other synthetic fuels that do not involve the emission of greenhouse gases. The plan does not provide for locked-in GHG emissions.

In addition, within Viscofan's activities, and with the cogeneration plant installed in Cáseda (Spain), we sell to third parties the electricity that the Group does not use in the casing production process. This electricity sales activity is included in Annexes 1 and 2 of the Regulation as an eligible activity in the climate change mitigation and adaptation objectives. It represents 4% of Viscofan Group's net turnover, lower than the criterion established in Article 12(1)(d) to (g) and Article 12(2) of Commission Delegated Regulation (EU) 2020/1818 (Regulation on climate transition benchmarks), so that Viscofan is not excluded from the EU benchmarks aligned with the Paris Agreement.

This plant has three cogeneration engines with the capacity to use green hydrogen as fuel. This renewable energy source is expected to be used in 2030. No relevant investments have been made in cogeneration activity during the 2024 financial year (see point 2.4. of the EU Taxonomy) nor are they foreseen in the Net Zero Plan.

At the end of 2024, the Group's scope 1 and 2 GHG emissions (market-based) amounted to 403,064 tonnes, -25.7% compared to 2018, mainly due to the purchase of electricity from renewable sources and, to a lesser extent, to the installation of solar panels and energy efficiency measures. Likewise, in 2024, scope 1 GHG emissions in Spain went down due to lower electricity production in the cogeneration plant.

Viscofan's exposure to gas-related activities covered by Delegated Regulations on climate change adaptation or climate change mitigation under the Taxonomy Regulation

See point 2.4. European taxonomy for environmentally sustainable economic activities

Material impacts, risks and opportunities, their interaction with the strategy and business model and current and anticipated financial effects

ESRS 2 SBM-3, ESRS E1-9 (phased in)

Below are the main IROs, their classification by category and their description, as well as their interaction with Viscofan's business, strategy and financial planning in accordance with disclosure requirement SBM-3 of ESRS 2.

Risks identified

1. Shortage of collagen skins. Physical risk – Temperature-related

Description:

The physical consequences of global warming or climate change regulation itself may lead to higher prices for raw materials, affecting the company's procurement, transport and distribution worldwide. Increases in the price of raw materials may be caused by their reduced access or availability, or by their carbon footprint.

In the particular case of Viscofan, the main risk is caused by a lower availability of collagen skins of cow origin. Viscofan has a diversified supply of this raw material on different continents and although it is a global risk, it may have a greater impact on certain geographical areas based on scenario analysis.

Specifically, according to IPCC reports and other academic studies, the increase in global temperature can put greater stress on livestock. The cumulative effects of productivity shocks are expected to translate globally into 7-10% decreases in livestock numbers by 2050 if ~2°C warming materialises (Boone et al., 2018), leading to lower raw material availability in different geographical areas where Viscofan purchases collagen skins. At temperatures above 30°C, animals eat 3-5% less per additional degree of temperature, which reduces their productivity and fertility. These climate change consequences may lead to a lower availability of collagen leather and so to increases in its price.

Interaction with the strategy and response plan:

- Viscofan has mitigation tools to compensate for the increase in raw material prices:
- Passing on cost inflation through higher selling prices to customers.
- Specific R&D projects and production trials encouraging diversification of sources of supply and suppliers.
- Investment and development of more efficient and less wasteful production processes.

Potential impact

To calculate the potential impact of this risk, we have used the IPCC CR scenarios and academic studies, estimating in 2050 -10% lower availability of collagen skins in a Neutrality Scenario ($\leq 2^\circ$) and -20% in an accelerated warming scenario ($\geq 4^\circ$). Thus, the potential impact for Viscofan in that year has been studied through the equivalent in terms of reduced sales in collagen casings associated with the lower availability of this raw material.

During 2024, there have been no situations of lack of availability of collagen skins that result in increased prices of raw material.

2. Drought. Physical risk – Water-related

Description:

The increase in the planet's average temperatures can increase the risk of water stress, causing a lack of supply at production plants. Water is essential for the viability of Viscofan's production plants, requiring water collection for different phases of the process, mainly for casing cleaning, cooling, steam production and moistening of casings.

According to the World Resources Institute (WRI), Viscofan is present in some countries where water stress is expected to increase compared to current levels. Drought and water scarcity events could lead to restrictions on water use in these areas, directly affecting the company's production chain and resulting in less capacity to meet demand several days a year. The identified sites subject to this analysis are plants located in the United States and Mexico.

Interaction with the strategy and response plan:

Within the Sustainability Action Plan, Viscofan is analysing possible scenarios and measures to be implemented faced with this possible long-term risk.

Likewise, the 2030 commitments include reducing the intensity of water collection. To comply with this, Viscofan is developing and investing in technologies that require less water, promoting and studying the viability of reusing water in the production process and investing in the best available water treatment and discharge technologies.

Potential impact:

To study the potential impact, the IPCC's SSP scenarios and the World Resources Institute's analysis have been used as a basis. With this, we have analysed the variation in the level of water stress between 2030 and 2040, used as an indicator of possible water rationing problems, under the assumption that the administrations have adequate infrastructures to carry it out in relation to the historical availability of water, but not necessarily with the new availability associated with global warming.

Supply shortages at plants could cause production stoppages and the loss of sales which is difficult to quantify based on the climate scenarios analyzed. Viscofan has contingency plans in place to address this.

In 2024, the Viscofan Group plants have had no water supply problems.

3. Regulatory changes. Transition Risk – Policy and Legislation

Description:

Viscofan's production process is energy intensive, so legislative proposals related to this resource and aimed at mitigating climate change may have a particular impact on the business. In this regard, Viscofan has identified as a material risk the rise in the prices of GHG emission allowances under the EU Emissions Trading System, and the establishment of this mechanism at a global level.

Interaction with the strategy and response plan:

Viscofan has a Net Zero Plan for 2050 with an intermediate target of reducing scope 1 and 2 GHG emissions by between 45% and 50% by 2030 (versus 2018), with defined decarbonisation levers. See details of the plan in section 2.1.3 of this ESRS and the most relevant actions in the year in section 2.1.4. of this ESRS.

Potential impact

The increased price of greenhouse gas emissions and the extension of its mechanism worldwide has an impact on the Group's operating costs.

On the TCFD basis, Viscofan has used the IEA Sustainable Scenario and the IEA Current Policies to estimate the potential impacts, with Neutrality ($\leq 2^\circ$) and Accelerated Warming ($\geq 4^\circ$) scenarios, which establish an increase in the price of CO₂ emission allowances between 40% and 210% in 2050 compared to current levels, depending on the scenario.

Viscofan, with Cáseda in Spain and Weinheim in Germany, is subject to the European Union's GHG emission allowance regime called EU-ETS. In the current financial year, expenditure on GHG emission allowances is €17.1 million. This cost has been detailed in note 8 of the Viscofan Group's consolidated financial statements.

4. Cost of transitioning to lower-emission technology: Transition risk – Policy and Legislation

Description:

Governments have high ambitions to achieve carbon neutrality, and this can lead to the deterioration of existing energy assets and investment in equipment that uses renewable energy sources or generates lower carbon emissions.

If the speed of this transition is faster than the amortisation period of the equipment or requires non-mature energy technologies to be adopted, it can lead to significant associated costs and investments, as well as loss of overall product competitiveness. This is a risk that has been considered globally in all operations where Viscofan is present.

Interaction with the strategy and response plan:

Viscofan, as part of its Net Zero Plan, is seeking to invest in energy equipment that uses renewable energies to the extent that the existing ones have reached the end of their useful life, as well as the diversification of energy sources, in order to achieve greater self-consumption. See details of the Net Zero plan in section 2.1.3 and the most relevant actions in the year in section 2.1.4. of this ESRS.

Potential impact:

Based on Krishnan et al 2021 estimates, the Net Zero 2050 scenario would require spending on physical assets equivalent to around 7.5% of GDP during the period 2021 to 2050.

For now, in 2024, based on the analysis carried out following the IAE's Net Zero Emissions (NZE) scenario, the transition commitments to low-emission technology of the national governments of the countries in which Viscofan is present have a time horizon longer than the useful life of the energy equipment. Likewise, based on Viscofan's Net Zero Plan approved by the Board of Directors, we foresee no significant investments to achieve the intermediate targets by 2030 or the replacement of existing energy equipment.

Impacts

1. Greenhouse gas emission

Casing production is a continuous and energy-intensive process, mainly due to its drying phase. However, according to the European Union's environmental taxonomy criteria, 96% of Viscofan's turnover has no significant impact on climate change. The only eligible activity is the cogeneration of heat/cold and electricity based on natural gas from the Cáseda plant in Spain, which consists of the sale to third parties of the electricity that the plant does not use in its production process and which represents 4% of the net turnover of Viscofan Group. See details of the net turnover of the Viscofan Group in note 19.1 of the consolidated financial statement.

This cogeneration activity is not aligned and therefore does not make a substantial contribution to climate change mitigation based on the technical requirements established by the Taxonomy Regulation. These requirements set a minimum level of greenhouse gas emissions for a cogeneration activity to be aligned that is technically impossible to achieve with the use of 100% fossil fuel, requiring the blending of non-fossil fuels and the development of new technologies that would allow such consumption.

Opportunities identified

Viscofan's integral risk management system assesses and monitors the risks and their tendency, taking the necessary management measures which, aside from mitigating the risk, may generate opportunities. The main opportunities identified are described below:

1. Products with a lower carbon footprint

For Viscofan, the reduction of GHG emissions represents an opportunity not only to reduce the environmental impact of our operations, but also to offer our customers products with a lower carbon footprint that help them in their challenges in the fight against climate change, which can provide an additional competitive advantage.

2. Efficiency of production processes

The reduction in the intensity of use of resources such as energy or water, as well as a reduction in the generation of waste, could lead to savings for Viscofan and represent a competitive improvement compared to other market players that do not adopt this type of strategy. To this end, it is necessary to optimise and improve manufacturing processes, establishing circularity and efficiency measures in terms of water, waste and energy.

3. Promotion of renewable and sustainable energies

Viscofan is working to promote the decarbonisation of its processes using green hydrogen as an energy vector. If this technology were available competitively and continuously, it would save CO₂ emissions and the cost associated with their emission allowances.

Resilience analysis

Based on the analysis of climate change risks detailed above, no impairments of current assets have been identified and no significant investments are envisaged to comply with the commitments established in our 2022-2025 Sustainability Action Plan or the interim 2030 commitment of the Net Zero Plan.

With a longer time horizon, Viscofan has not carried out a detailed resilience analysis as established in the ESRS E1 beyond the Net Zero 2050 Plan, which assumes the development of renewable energy production and supply technologies that are currently not available at a competitive cost and which would mitigate the risk of increased cost of GHG emissions, and which may also represent an opportunity to reduce the current cost of GHGs in Europe.

In the case of physical risks (scarcity of collagen skins and water supply) Viscofan has a response plan for anticipation and mitigation, as detailed above. In addition, where necessary, we take appropriate countermeasures or, to the extent possible and economically acceptable, transfer them to third parties (such as insurers). Opportunities and risks are continuously monitored using indicators, so that, for example, changes in the economic or legal environment can be identified at an early stage and, if necessary, appropriate response measures implemented.



2.1.4. Impact, risk and opportunity management

Description of processes for identifying and assessing climate-related impacts, risks and opportunities

ESRS 2 IRO-1

Viscofan Group's process for determining impacts, risks and opportunities (hereinafter referred to as IROs) has been described in ESRS 2 – General Disclosures, section 1.1.4.

In the particular case of climate change, Viscofan's risk and opportunity management model is based on the COSO ERM and Task force on climate-related disclosures (TCFD) recommendations and on the company's Risk Control and Management Policy, which also takes into account impacts and dependencies.

Viscofan has identified physical and transition risks and transition opportunities, based on the recommendations of TCFD, reference institutions (IEA and IPCC) and the analysis of comparable companies that are in line with the types detailed in points AR 11. and AR 12 of ESRS E1. This identification has been carried out in the operations themselves, and in the value chain.

To determine which risks and opportunities could have a material financial impact on the organisation, the Executive Sustainability Committee has assessed their potential impact, probability and mitigating actions put in place.

Three global warming scenarios have been analysed, one with high emissions that envisages greater climate-related hazards (4.0°C), one in line with the limitation of global warming (1.5°C) and another intermediate (2.4°C) and with different time horizons for materialisation:

- Current or already materialised: materialisation in the 2024 financial year, the reporting year in the financial statements.
- Near or medium-term future: materialisation in the next five years, applicable for all scenarios that offer projections to 2030.
- Long-term future: materialisation in a period of more than 5 years, applicable for all scenarios that offer projections to 2040 or later.

For material physical risks, a scenario analysis has been carried out based on specific hypotheses about the external conditions that have led to the materialisation of a specific situation and that may lead to a climate-related hazard, especially in a higher temperature (4.0°C), supported by third-party scientific studies based on relevant climate data, and historical trends. This analysis considers the sites in which Viscofan is present and the dependence on raw materials that could be affected by a climate-related event. See description of these in section 2.1.3. of this ESRS.

In transition risks and opportunities, the main focus of the assessment is on possible events in a scenario in line with the limitation of global warming to 1.5°C based on third-party studies on policies, costs and investments and consumption habits in a world adapted to this situation.

In order to identify, quantify and assess the impact of its activity on climate change, Viscofan has worked from the European Union's environmental taxonomy criteria. Considering them, the natural gas-based cogeneration of heat/cold and electricity at the Cáseda plant in Spain has a negative impact on climate change. This activity is included in Viscofan's Net Zero Plan described above.

Policies related to climate change mitigation and adaptation

ESRS E1-2, ESRS 2 MDR-P

Key content and principles

Within the framework of the General Sustainability Policy and in line with the Sustainable Development Goals (SDGs), Viscofan has a climate change policy approved by the Board of Directors in December 2020 in order to establish its commitment to the control of atmospheric emissions, energy efficiency, as well as a business strategy related to the development of alternative energy sources. This policy addresses climate change mitigation and adaptation.

This policy is available on Viscofan's website in the section on Corporate Governance – Regulations and Policies.

This policy establishes the following basic principles and commitments:

- a) To gradually reduce the intensity of greenhouse gas emissions by setting quantifiable and measurable targets.
- b) To incorporate the climate change variable into internal decision-making and investment processes, as well as into long-term risk analysis and management processes.
- c) To seek innovative advances in product design that contribute to providing sustainable solutions, in particular in the use of alternative renewable energy sources.
- d) To implement certified environmental management systems.
- e) To introduce circular economy criteria in the company's activities.
- f) To foment and adopt energy saving and efficiency measures.
- g) To promote initiatives to raise awareness among employees and external stakeholders of the fight against climate change aimed at consolidating a culture of efficient and responsible use of energy and resources within the group.
- h) To promote agreements and programmes with other stakeholders in order to capitalise on the group's expertise and resources to solve climate-related problems and generate social value.
- i) To report in a transparent way on significant results and actions in the fight against climate change.

Scope of the policy

This policy applies to all companies in the Viscofan Group and binds all its staff, regardless of the position and function they perform.

Additionally, the policy sets forth that Viscofan will foster the application of the Policy's principles and provisions with any natural and/or legal person linked to Viscofan by a relationship other than an employment relationship where it is possible and appropriate for them to follow principles and guidelines consistent with those set out in this Policy and other sustainable development policies.

Monitoring and supervision:

Monitoring of the Policy is the responsibility of the Board of Directors, which will exercise it through the oversight of the Appointments, Remuneration and Sustainability Committee regarding the development and implementation of sustainability policies and strategies, and of the Audit Committee in terms of the integrity of the non-financial information included in the management report, as well as in the supervision of non-financial risks arising from the Group's actions in relation to the Policy. Likewise, the Group has an Executive Sustainability Committee whose tasks include promoting sustainability plans and programmes in the implementation of policies, and an Ethics and Compliance Committee reporting to the Audit Committee which, in addition to ensuring compliance with the Code of Conduct, manages the channel for reporting any offences by employees and other people related to the company.

Actions and resources in relation to climate change policies

ESRS E1-3, ESRS 2 MDR-A

Viscofan's commitment to environmental improvement and the fight against climate change is also revealed in its human, operating and financial dimension.

Management systems

We are working to attain this environmental management ISO 1400 certification at all our production plants. In addition, the plants in Cáteda and Urdiain (Spain), Weinheim (Germany) and Ceske Budejovice (Czech Republic) are certified according to the ISO 50001 standard.

Therefore, they are able to improve their efficiency, energy costs and green greenhouse emissions. As part of its commitment to improve energy management, the Group plans to obtain this certificate for other plants.

The breakdown of the Group's plants with these certificates as at 31 December 2024 is as follows:

Country	Plant	ISO 14.001	ISO 50.001
Spain	Cáteda	Yes	Yes
	Urdiain	Yes	Yes
Germany	Weinheim	Yes	Yes
	Alfhausen	No	No
Serbia	Novi Sad	Yes	No
Czech Republic	Ceske Budejovice	Yes	Yes
Belgium	Hasselt	Yes	No
US	Danville	No	No
	Montgomery	Yes	No
	New Jersey	Yes	No
Mexico	Zacapu	Yes	No
	San Luis Potosi	Yes	No
Brazil	Itu	Yes	No
	Matarazzo	Yes	No
Uruguay	Pando	Yes	No
China	Suzhou (2 plants)	Yes	No
Australia	Sidney	Yes	No

Resources for energy efficiency and the fight against climate change

The reduction in energy consumption with new technologies and the availability of renewable energy sources are essential aspects of Viscofan's commitment to contributing to protection against climate change and entail the implementation of projects and investments.

Based on this, the CapEx allocated to projects aimed at the fight against climate change and energy efficiency in the 2024 financial year amounts to €7.4 million. The investments have been identified in the list of additions to property, plant and equipment and intangible assets of the Viscofan Group (see notes 5 and 6 to the consolidated financial statements).

Of these, the following should be highlighted:

- The investment in Cáteda for the installation and commissioning in 2025 of a biomass boiler that will allow us to reduce CO₂ emissions and harness cellulose casing waste. We estimate emission savings of 9,000 tonnes equivalent per year.

- The installation of electric boilers in Cáteda with the aim of replacing part of the plant's energy needs (currently met with natural gas) with electricity from renewable sources thanks to an agreement to supply photovoltaic electricity through the construction by a third party of a solar park adjacent to the factory. We estimate emission savings of 30,000 tonnes equivalent per year.
- The investment to start up a GEA heat recovery plant in Brazil in an evaporation plant, a new technology for the reduction of energy consumption compared to the previous technology.
- Energy measurement and control systems have been implemented in various Group sites to achieve greater control, use and efficiency in the energy sources of the production process.

These investments have been financed with the cash generation from the business, although Viscofan has financing with sustainable criteria that, not being particularly attached to the aforementioned projects, contribute to Viscofan's sustainable performance. See note 15 of the consolidated financial statements.

And see section 2.4. European taxonomy of environmentally sustainable economic activities in which Viscofan reports the key performance indicators under Commission Delegated Regulation (EU) 2021/2178.

In addition, within the framework of the climate strategy, Viscofan does not plan to sell key assets or products during their useful life, which result in locked-in GHG emissions.

Environmental training

Being more sustainable and reducing our impact on the environment is a commitment for all of us. In addition to allocating financial resources, measures are also promoted to further the Group's values and commitments with regard to environmental management among employees, with training courses standing as an essential element of the management approach.

It is worth noting the internal training carried out for people involved in reporting information and in EU Delegated Regulation 2023/2772 on sustainability reporting.



2.1.5. Metrics and targets

Targets related to climate change mitigation and adaptation

ESRS E1-4, ESRS 2 MDR-T

Viscofan's Net Zero emissions target

In 2024, Viscofan has set a Net Zero emissions reduction target. The Executive Sustainability Committee has made this target compatible with the Paris Agreement and therefore with the limitation of global warming to 1.5°C. This Net Zero target has been approved by Viscofan's Board of Directors at its December 2024 meeting.

A path with intermediate milestones has been established, namely an aggregate reduction by 2030 of more than 50% of scope 1 and 2 GHG emissions compared to 2018. For scope 1 emissions, a reduction of 29% is expected by 2030 vs. 2018 and for scope 2 emissions a reduction of 99% in the same period.

Likewise, the Net Zero target has been set for 2050. This target does not take into account carbon credits or avoided emissions.

The target was set on the basis of 2018, as it was the reference year used for the sustainability objectives and

from which Viscofan's first Sustainability Action Plan was established. At the moment, a future update plan for the base year has not been established.

In the case of scope 1 and 2 emissions, the target is for all the Viscofan Group's production plants. The market-based approach has been chosen in setting targets for the calculation of scope 2 emissions.

In terms of scope 3 emissions, 2024 is the first year when this metric is calculated, and therefore no specific initiatives or improvement plans have been drawn up. This line of work will be addressed by the different bodies in the 2025 financial year.

To set the targets, we have used the same climate scenarios as for the risk analysis with a constant scope of companies, greater use of renewable electricity in the world, and greater availability in the supply of renewables at a competitive price. The decarbonisation levers to achieve this target, which include the use of renewable energy and energy efficiency measures, have been described in the subsection Transition Plan for climate change mitigation included in point 2.1.3 of this ESRS.

Based on these, Viscofan's Net Zero goal is broken down as follows:

In tonnes of CO ₂ eq	Base year 2018	Reached 2024	Target for 2030	Target until 2050
GHG emissions	542,266	403,064	271,134	54,266
Use of renewable energy	0	-61,199	-128,630	-216,868
Energy efficiency and reduced consumption	0	-2,500	-2,600	0
Fuel substitution	0	0	-700	0
Electrification	0	0	0	0
Material efficiency and reduced consumption	0	0	0	0
Product phase-out, replacement or modification	0	0	0	0
Process phase-out, replacement or modification	0	0	0	0
Other	0	-75,503	0	0

No specific objectives have been established in relation to renewable energy, energy efficiency, which are included in Viscofan's Net Zero Plan, nor specific objectives for adaptation to climate change.

Cogeneration activity

Cogeneration activity consists of the sale to third parties of the electricity that the Group does not use in the production process of its main activity. It is included in Annexes 1 and 2 of the Regulation as an eligible activity with respect to the objectives of climate change mitigation and adaptation to climate change. The CapEx of this activity in the year is not material, at less than 3% of the Group's total investments. See section 2.4 European taxonomy of environmentally sustainable economic activities of this sustainability report.

Sales of cogeneration energy account for 4% of the Group's net turnover, which means that Viscofan is not excluded from the EU benchmarks aligned with the Paris Agreement, in accordance with the exclusion criteria set out in Article 12(1)(d) to (g) and Article 12(2) of Commission Delegated Regulation (EU) 2020/1818 (Regulation on climate transition benchmarks).

Target for the reduction of water withdrawal intensity

The United Nations Global Compact, of which Viscofan is a signatory member, is committed to SDG 6. Clean water and sanitation. Viscofan has made a voluntary commitment based on the Environmental Policy and within the framework of the Sustainability Action Plan, establishing a target for reducing intensity.

This target is based on a 10% reduction in the intensity of water withdrawal over metres of extruded casings by 2030.

With this target, Viscofan seeks to reduce the risk of climate change in water and improve efficiency in the use of this resource.

The levers to achieve the target are:

- Development and investment in production technologies with a lower need for water, mainly in process phases that involve washing the casings.
- Efficiency measures in the use of this resource.
- Reuse as far as possible of the water from the production process.

To establish the target, we have forecast an increase in production for the denominator, the extruded meters, based on the greater demand for casings foreseen in the Beyond25 strategic plan and the historical growth of the market from 2% to 4% in volumes.

This target has no intermediate milestones, and no ecological thresholds, entity-specific allocations and conclusive scientific evidence have been considered when setting it.

The target was set on the basis of 2018, as it was the reference year used for the sustainability objectives and from which Viscofan's first Sustainability Action Plan was established. The target's scope is all the production plants of the Viscofan Group.

The Executive Sustainability Committee monitors performance against this target on a quarterly basis, identifying catalysts for variances. This Committee also reports regularly to the Board of Directors' Appointments, Remuneration and Sustainability Committee.

The variations in the ratio on a baseline of 100 for 2018 are as follows:

Base 100 year 2018	2030 Commitment	2024	2023	2022	2021	2020	2019	2018
Water withdrawal in m3 / Extruded metres	90	87	86	89	95	100	101	100

Energy consumption and mix

ESRS E1-5

The internal energy consumption expressed in MWh is the following:

In MWh	2024	2023
1) Fuel consumption from coal and its derivatives	0	0
2) Fuel consumption from crude oil and petroleum products	10,541	10,470
3) Fuel consumption from natural gas	1,756,590	2,001,205
4) Fuel consumption from other fossil sources	0	0
5) Consumption of electricity, heat, steam and refrigeration bought or purchased, from fossil sources	116,686	161,786
6) Total fossil energy consumption (calculated as the sum of lines 1 to 5)	1,883,817	2,173,461
Share of fossil sources in total energy consumption (%)	86 %	91 %
7) Consumption of electricity, heat, steam and refrigeration bought or purchased, from nuclear sources	24,374	n.d.
8) Energy consumption from nuclear sources	24,374	n.d.
Share of nuclear sources in total energy consumption (%)	1 %	n.d.
9) Fuel consumption by renewable source, such as biomass (which also includes industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.)	43	0
10) Consumption of electricity, heat, steam and refrigeration bought or purchased, from renewable sources	279,973	218,950
11) Consumption of self-generated renewable energy that is not used as fuel (MWh)	1,261	707
12) Total renewable energy consumption (MWh) (calculated as the sum of lines 9 to 11)	281,278	219,657
Share of renewable sources in total energy consumption (%)	13 %	9 %
Total energy consumption (calculated as the sum of lines 6, 8 and 12)	2,189,469	2,393,118

Energy production

The Viscofan Group has cogeneration facilities at the Cáteda (Spain) and Weinheim (Germany) plants. This operation allows greater environmental efficiency in casing production as well as cost efficiency since the combustion of natural gas allows thermal and electrical energy to be generated both for self-consumption (Germany and Spain) and for sale to the grid (Spain).

In addition, at the plants in Hasselt (Belgium), Urdiain (Spain) and Suzhou (China), Viscofan has solar panels whose electricity is used to cover part of the energy needs of these plants.

As a result, the breakdown of energy production divided between renewable and non-renewable is as follows:

In MWh	2024	2023
Non-renewable energy production (Cogeneration)	352,399	433,004
Renewable energy production (Solar panels)	1,261	707
Total energy produced	353,660	433,711

Activities in sectors with a high climate impact

Based on Sections A, H and L of NACE (as defined in Commission Delegated Regulation (EU) 2022/1288), the Group's activities do not fall within sectors with a high climate impact.

However, due to greater transparency in the information and as an indicator that is used both internally and as a sustainability benchmark, Viscofan reports this energy intensity indicator for the entire Group, calculated as total energy consumption over net income (see note 19.1 of the consolidated financial statements):

Energy intensity MWh/€000	2024	2023
Energy consumption, traditional business (TB) and new business (NB) / TB + NB revenues	1.2	1.3
Energy consumption Cogeneration Spain / Electricity sales revenue Spain	15.3	11.8
Group energy consumption in MWh / Net income in thousands of euros	1.8	2.0

Gross Scope 1, 2 and 3 GHG emissions and total GHG emissions

ESRS E1-6

Calculation standard

Scope 1 and 2 emissions are calculated following the criteria defined in the Greenhouse Gas Protocol (GHG Protocol), under the financial control scheme, consolidating as CO₂e the emissions corresponding to all GHGs relevant to the company: CO₂, CH₄, N₂O, HFC and SF₆.

The conversion factors used are:

- Scope 1: the GHG Protocol tool "GHG emissions from stationary combustion"
- Scope 2: for location-based emissions established by the Intergovernmental Panel on Climate Change (IPCC) or by the applicable administration. In the case of market-based emissions, a conversion factor requested from the supply company.

In the case of scope 3 emissions, the criteria established in the Corporate Value Chain (Scope 3) Accounting and Reporting Standard of the GHG Protocol have been used.

Scope 1 and CO₂ emissions

These include emissions under the operational control approach and encompass the companies of the consolidated accounting group defined in section 1.1.1 of this report. Viscofan Group does not have minority shareholdings in companies whose net turnover is material, so they have not been taken into account for the calculation.

Viscofan's main activity, casing production, is an on-going process all year round that requires a lot of heat, especially in casing drying processes. The main energy input used in the process is natural gas, electricity and steam. Likewise, in 2024 Viscofan has not had biogenic CO₂ emissions from the combustion or biodegradation of biomass, nor reduced its CO₂e with carbon credits.

Viscofan avoids CO₂ emissions at its cogeneration plant in Cáseda compared to another equivalent alternative of heating water, producing steam and generating electricity. However, the overall activity of the cogeneration plant, including the production of electricity sold to the grid, entails for the particular case of Viscofan more Scope 1 emissions compared to those theoretically emitted to obtain the cogeneration steam by means of conventional boilers.

It should be noted that the facilities in Cáseda (Spain) and Weinheim (Germany) are subject to the EU Emissions Trading System.

Scope 3 emissions

For the calculation, Viscofan has examined the total emissions based on the 15 scope categories set forth in the Corporate Value Chain (Scope 3) Accounting and Reporting Standard of the GHG Protocol. The principles of integrity, accuracy, consistency and transparency have been used to determine the significant categories.

Based on this, the following categories of emissions have been excluded:

- Category 6. Business travel: 2.5% of total scope 3 emissions are not included because it is an irrelevant category based on the preliminary analysis carried out with the collaboration of a third party, and for the reduction of which Viscofan may have little influence on third parties; not exceeding 5% of the limit allowed as an exclusion criterion.
- Category 10. Processing of sold products: the casings are used by customers to stuff meat products without generating emissions in their processing. They also represent a small part of the total weight of the final product.
- Category 11. Use of sold products. The use of the products sold by Viscofan does not generate direct emissions.
- Category 13. Upstream leased assets: Viscofan does not own any assets leased to third parties.
- Category 14. Franchises: Viscofan does not have franchises.
- Category 15. Investments: Viscofan does not have any stakes in companies whose net turnover is relevant to the calculation of the Group's scope 3 emissions.

The analysis of scope 3 emissions has not identified biogenic CO₂ emissions from the combustion or biodegradation of biomass upstream or downstream of the value chain that are relevant, nor are carbon credits considered.

The following methodology has been used to calculate scope 3 emissions for the significant categories:

- **Category 1. Purchased goods and services:** it includes the emissions associated with the life cycle of all products and services acquired by Viscofan in the reporting year; in the case of raw materials, the primary data is expressed in kg, water in cubic metres (m³) and services in euros.
 - For the purchase data of products by weight in kilogrammes (kg), we have mapped the groups of items in Ecolnvent v3.10 looking for the emission factor (kgCO₂/kg) that best fits the name of each item. Where there was no specific attributable emission factor, the most general and restrictive factor has been used.

- For goods and services for which there is no weight data, purchase cost data expressed in euros have been used. We have mapped the groups of items with the emission factor from the Comprehensive Environmental Data Archive (CEDA 6.0.) (kgCO₂/euro) that best fits the name of that item. These emission factors have then been applied to obtain emissions by item group.

- **Category 2. Capital goods:** it includes the emissions associated with the life cycle of the capital goods purchased. Capital goods are final products that have a long useful life and are treated as fixed goods or as property, plant and equipment. The emission factors were taken from the CEDA 6 database that provides emissions per monetary unit of production for different countries.

We mapped the groups of items with the CEDA emission factor 6.0 (kgCO₂/euro) that best fits the name of that item. The most significant investment in the period is the construction of a new Viscofan plant in Thailand. The corresponding CEDA emission factor has been used for all scopes 1+2+3 to take into account the emissions incorporated in the building's raw materials.

- **Category 3. Fuel- and energy-related activities:** it includes emissions associated with the production and distribution of fuels and energy purchased and consumed by Viscofan that have not been considered in Scope 1 and 2. The following activities are included: emissions associated with the extraction, production and transport of fuels consumed by Viscofan; and emissions associated with the extraction, production and transport of fuels consumed in the generation of electricity, steam, heat or cooling consumed by Viscofan, in addition to the losses suffered in such transport.

The primary data has been the consumption in MWh of the different energy sources used in Viscofan's operations. Emission factors for fixed and mobile combustion were taken from the United Kingdom's 2024 Department of Environment, Food & Rural Affairs (DEFRA), which provides emissions per unit for the country, specifically, DEFRA "Well-to-Tank" (WTT) of the reporting year for each type of fuel; and for electricity, the emission factors from the International Energy Agency (IEA), which establishes two types of emission factors based on the "Well-to-Tank" (WTT) emissions associated with power generation and WTT emissions associated with energy distribution (Transmission

& Distribution – T&D) and energy losses in Transmission & Distribution (T&D Loss).

- **Category 4. Upstream transportation and distribution:** as primary data, we have used distances travelled in kilometres, load and type of transport. The emission factors were taken from the DEFRA 2024 database that provides emissions per unit for the country. The calculation method has been based on distance, i.e. determining the mass, distance and mode of each shipment, then applying the appropriate mass-distance emission factor for the vehicle used.
- **Category 5. Waste generated in operations:** it includes emissions associated with the treatment of waste generated by Viscofan's operations, including wastewater. The databases used for the emission factors have been Ecoinvent v.3.10., CEDA 6 Global and the Catalan Office for Climate Change.
- **Category 7. Employee commuting.** Based on the Group's average workforce broken down by geographical location, we used the emission factors from DEFRA 2024, which provides emissions per unit for the country.

The calculation has used mobility patterns from an internal tool developed by a third party (Ecoact – a company of the Schneider Electric group), based on country-level patterns for each of the geographies in which Viscofan is present. The calculation used the factors and patterns from 2023, the most up-to-date at the time the GHG inventory was carried out.

- **Category 8. Upstream leased assets.** This category includes emissions associated with the operation of assets that are leased (real estate) by Viscofan and that are not included in the scope 1 and 2 emissions inventory. In these cases, Viscofan acts as a lessee.

The primary data relates to the surface area of the assets based on the lease contracts, from which the consumption of natural gas and electricity is estimated based on average ratios. To calculate emissions from electricity consumption in leased spaces, IEA country-specific emission factors are used. To calculate the emissions from natural gas consumption in the leased spaces, a unique DEFRA emission factor is used. In both cases, only scope 1 and 2 emissions from leased assets under the GHG Protocol requirements are included. Therefore WTT and T&D-related emissions are not calculated.

- **Category 9. Downstream transportation and distribution.** The primary data is distances travelled in kilometres and the load transported in kg to customer locations.

The calculation method has been based on distance, i.e. determining the mass, distance and mode of each shipment, then applying the appropriate mass-distance emission factor for the vehicle used. The emission factors used have been taken from the DEFRA database for the corresponding reference year.

- **Category 12. End-of-life treatment of sold goods.** It includes the following:

- Casings: of the different product families from both Traditional Business and New Business, those that involve disposal and treatment at the end of their useful life are cellulose casings, inedible collagen, fibrous and plastic products. Of these, the group has a large number of references with different sizes, whose detailed information is available in metres. Average reference values for the most relevant product categories have been used for conversion to kilogrammes.
- Packaging of the products sold which mainly include cardboard caddies, cardboard boxes, films and plastic bags and pallets.

The weights of waste have been distributed by geographical region according to the amount of products sold in each region. Based on this information, UNEP regional municipal solid waste destinations by continent have been considered to calculate the APAC, EMEA, NAM and SAM regions (respectively, Asia-Pacific, Europe, Middle East and Africa, North and South America). For emission factors, the DEFRA 2024 database was used due to its geographical relevance. In addition, emission factors from the OCCC database have been used to a lesser extent when a relevant emission factor for a specific type of waste has not been found in the DEFRA database.

This is the first year of calculation of scope 3 emissions, and we have sought to use the most up-to-date emission factors possible. For subsequent years, Viscofan plans to monitor the calculation of the categories identified as relevant and the advisability of updating the emission factors. For category 1, work will be done to incorporate emission factors directly from the suppliers of the main raw materials.

Breakdown of GHG emissions

In tonnes equivalent	Past values				Milestones and target years			
	Base year	2023	2024	% var 2024 vs. 2023	2025	2030	2050	Target % annual / Base Year
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions (tCO₂eq)	378,128	393,255	349,124	-11.2%	346,124	268,908	54,266	92.3%
Percentage of scope 1 GHG Emissions from regulated emissions trading schemes (%)	n.a.	72.4%	68.4%	-4.0%	n.a.	n.a.	n.a.	n.a.
Scope 2 GHG emissions								
Location-based scope 2 gross GHG emissions (tCO₂eq)	N/A.	N/A.	67,210	N/A.	n.a.	n.a.	n.a.	n.a.
Market-based gross scope 2 GHG emissions (tCO₂eq)	164,138	79,932	53,940	-32.5%	46,940	2,225	0	32.9%
Significant Scope 3 GHG emissions								
Total gross indirect GHG emissions (scope 3) (tCO₂eq)	N/A.	N/A.	576,505	n.a.	n.a.	n.a.	n.a.	n.a.
1. Purchased goods and services	N/A.	N/A.	353,633	n.a.	n.a.	n.a.	n.a.	n.a.
2. Capital goods	N/A.	N/A.	22,065	n.a.	n.a.	n.a.	n.a.	n.a.
3. Fuel- and energy-related activities (not included in scopes 1 or 2)	N/A.	N/A.	97,630	n.a.	n.a.	n.a.	n.a.	n.a.
4. Downstream transportation and distribution	N/A.	N/A.	19,645	n.a.	n.a.	n.a.	n.a.	n.a.
5. Waste generated in operations	N/A.	N/A.	14,840	n.a.	n.a.	n.a.	n.a.	n.a.
7. Employee commuting	N/A.	N/A.	4,741	n.a.	n.a.	n.a.	n.a.	n.a.
8. Upstream leased assets	N/A.	N/A.	798	n.a.	n.a.	n.a.	n.a.	n.a.
9. Transportation and distribution	N/A.	N/A.	32,349	n.a.	n.a.	n.a.	n.a.	n.a.
12. End-of-life treatment of sold products	N/A.	N/A.	30,805	n.a.	n.a.	n.a.	n.a.	n.a.
Total GHG emissions								
Total GHG emissions (based on location) (tCO₂eq)	N/A.	N/A.	992,839	n.a.	n.a.	n.a.	n.a.	n.a.
Total GHG emissions (based on market) (tCO₂eq)	N/A.	N/A.	979,569	n.a.	n.a.	n.a.	n.a.	n.a.

Legend: n.a. Not applicable; n.r. Not relevant

GHG intensity based on net income

In 2024, the intensity of total GHG emissions (Scopes 1, 2 market-based and 3) on the total consolidated revenue of the Viscofan Group is as follows:

Ratio	2024
Total GHG emissions in tonnes (market-based scope 2)	979,569
Consolidated revenue in thousands of euros	1,203,994
Intensity ratio	0.8

In 2024, the intensity of total GHG emissions (Scopes 1, 2 location-based and 3) on the total consolidated revenue of the Viscofan Group is as follows:

Ratio	2024
Total GHG emissions in tonnes (scope 2 based on location)	992,839
Consolidated revenue in thousands of euros	1,203,994
Intensity ratio	0.8

The consolidated revenue figure refers to the Viscofan Group, expressed on the basis of international financial reporting standards. See note 19.1 of the consolidated financial statements.

GHG removals and GHG mitigation projects financed by carbon credits

ESRS E1-7

In 2024, Viscofan has not eliminated or stored GHGs resulting from projects in its own operations, nor has it contributed in the upstream and downstream phases of its value chain. Nor has it reduced or eliminated GHGs through climate change mitigation projects outside its value chain financed through the purchase of carbon credits.

Internal carbon pricing system

ESRS E1-8

The Viscofan Group does not apply internal carbon pricing systems.

2.2.ESRS E2. Pollution

Viscofan recognises the importance of pollution prevention, actively measuring and managing the environmental impact of its operations. It promotes and invests to adopt strict measures with the aim of minimising emissions, effluents, pollution and waste generation. The implementation of advanced technologies ensures that pollution prevention is integrated into every step of the production process.

Current and potential impacts, risks and opportunities

Positive

- Impact: investment in available technologies for the filtering and washing of emissions and the treatment and discharge of water that mitigate the risk of water pollution.

Negative

- Impact: air or water pollution. Generation of microplastics in the production process.
- Risk: imposition of fines and penalties and implementation of corrective actions as a result of litigation arising from non-compliance in matters of pollution.

Policies and commitments

- Pollution Control and Reduction Policy.
- ISO 14001 certifications.

Actions and resources

- Investments amounting to €9.9 million for projects related to pollution prevention. Namely, the installation of a sulphates crystalliser and a gas scrubber at the Cáseda plant in Spain, and investments for wastewater treatment at the Zacapu plant in Mexico and Pando in Uruguay.
- Viscofan promotes certification under the ISO 14001 environmental management system of the Group's plants, which includes risk analysis and internal audits to ensure the measures implemented.

Sustainability objectives

- Compliance with applicable pollution legislation.

Governance

- Board of Directors. Appointments, Remuneration and Sustainability Committee, Audit Committee.
- Executive Sustainability Committee.
- CEO.
- Operations and Operational Sustainability Management.
- Local General Managers.

2.2.1. Impact, risk and opportunity management

Description of the processes for determining and assessing material IROs

ESRS 2 IRO-1

In Viscofan Group's materiality analysis described in section 1.1.4 of this Sustainability Report, pollution has been identified as a relevant aspect, in particular due to emissions into the atmosphere and discharges into water.

In addition, for these material aspects, the Viscofan Group's process for determining impacts, risks and opportunities (IROs), described in the ESRS 2 – General Disclosures section under IRO Management, identifies several specific IROs based on the analysis of the Group's operations, the downstream and upstream phases of the value chain. The description of each IRO includes its particular characteristics and the elements used in its examination and analysis.

Material impacts, risks and opportunities and their interaction with strategy and business model

ESRS 2 SBM-3, ESRS E2-6 (phased in)

Below are the main IROs, their classification by category and their description, as well as their interaction with Viscofan's business, strategy and financial planning in accordance with disclosure requirement SBM-3 of ESRS 2.

Viscofan's objective is to avoid or mitigate risks by actively deciding on how to respond, while also seeking to take advantage of opportunities by incorporating them into our strategy.

It should be noted that, for material impacts and risks of pollution, Viscofan has specific response plans in place to anticipate or mitigate possible future financial impacts. From this and the tolerance analysis of possible expected financial effects, no impairment was identified on the current assets

and no significant investments were envisaged to comply with the commitments established in our 2022-2025 Sustainability Action Plan.

Impacts

Air or water pollution in a production plant

Casing is an industrial process that requires the physical and chemical transformation of different raw materials to form them into a seamless tube, known as the casing. Disposal of these raw materials without proper control can have polluting effects on the air or water. Depending on the process phases, this impact may occur:

- On the air: this transformation requires auxiliary raw materials, the use of which can cause emissions into the air in the form of gases. In particular, from the list of pollutants listed in Annex II to Regulation (EC) No 166/2006 of the European Parliament and of the Council, Viscofan emits ammonia and carbon disulphide. Although all plants with these types of emissions comply with the limits set by local authorities, these emissions at very high levels could have an impact on local air quality.
- On the water: during the production process and especially after extrusion, Viscofan carries out cleaning phases set forth in the food safety system, a process that is carried out with water. From the list of pollutants listed in Annex II to Regulation (EC) No 166/2006 of the European Parliament and of the Council, organic carbon in the form of cellulose or collagen fibres is released from the casings during cleaning, which by themselves and in non-relevant quantities are not harmful to the environment. However, in high quantities, they can reduce the level of oxygen in the water and affect marine ecosystems.

Microplastic Leak

Viscofan's products include plastic casings, films and bags for which microplastics are used, i.e. smaller than 5 millimetres. This raw material is used in the Group's facilities where these final products are manufactured. They are Hasselt in Belgium, Cáseda in Spain, Itu in Brazil and San Luis Potosí in Mexico. Without adequate control, these

microplastics used in the process could cause the leakage of waste into water surfaces.

Both negative impacts are not predefined by their time horizon, beyond the need to carry out adequate maintenance of the assets, to implement the production safety protocols and to incorporate of the best available technologies to avoid significant leaks or spills. The more Viscofan works to minimise the impact of the production process on the environment, the lower the future probability of occurrence. This is the basis of Viscofan's Pollution Control and Reduction Policy and the environmental management strategy and system implemented and described below. There were no spills or leaks at Viscofan Group facilities in 2024 that had to be reported to the competent authorities, understood as those that cause damage to the external environment of the facility.

Investment in available technologies for the filtering and scrubbing of emissions and the treatment and discharge of water

By investing in advanced technologies for filtering and scrubbing emissions, as well as for water treatment and discharge, Viscofan seeks to improve air and water quality near production plants.

Collaboration with specialised equipment suppliers is a key pillar in this initiative. Working closely with these suppliers not only ensures the acquisition of cutting-edge technologies, but also encourages the continuous development of innovations.

With regard to air emissions, Viscofan's investments in filtering and scrubbing enable, in some cases, the reduction of pollutant emissions. For its part, the adoption of state-of-the-art technologies in water treatment allows Viscofan to effectively manage effluents and minimise environmental impact. These technologies include systems capable of efficiently removing pollutants and toxic substances.

This is an impact that Viscofan continuously promotes to the best of its ability. The subsection on actions and resources related to pollution of this ESRS details investments with a positive impact. However, it could possibly materialise with greater frequency and positive impact in the medium and long term as better technologies are developed. That is why continuous collaboration with suppliers of this type of equipment is key.

This is the basis of Viscofan's Pollution Control and Reduction Policy and the environmental management strategy and system implemented and described below in the section "Environmental management system oriented towards pollution prevention".

Risks

Fines and penalties and implementation of corrective actions as a result of litigation arising from non-compliance in matters of pollution.

As a result of this productive activity, there is the possibility of fines and penalties being imposed because of litigation for non-compliance with pollution regulations. The effect could be a monetary penalty, which is difficult to quantify because it would depend on the type of incident and the competent authority at the affected location. Additionally, corrective measures could be imposed, requiring additional investment.

In 2024, there have been no significant fines or penalties arising from litigation for non-compliance in matters of pollution. See Note 13.3 of the Viscofan Group's Consolidated Financial Statement on Contingent Liabilities.

This is a risk that can occur at any time horizon, and the possibility depends on governments establishing different legislation, requirements, and pollution standards. For this reason, Viscofan works with the commitment to updating and complying with environmental regulations in the countries in which it is present and with the aim of continuous improvement in the prevention and reduction of pollutants, while minimising a risk of these characteristics and a possible impact on Viscofan's financial situation. This is the basis of Viscofan's Pollution Control and Reduction Policy and the environmental management strategy and system implemented and described below in the section "Environmental management system oriented towards pollution prevention".

Viscofan's actions to mitigate this risk and the main investments financed by the business's cash generation have been detailed in the subsection on actions and resources related to pollution.

Environmental management system oriented towards pollution prevention

Viscofan has a strategy and a business model specially designed to address material impacts and risks in terms of pollution, which includes elements to be able to face and overcome the challenges related to pollution.

Firstly, pollution prevention is integrated and managed locally in production plants that have an environmental management system (in most cases, ISO 14001 certified), which makes it easier to minimise and control the environmental impact of the production process.

At the same time, the corporate Operational Sustainability team and local managers play a crucial role in ensuring that all production plants operate in accordance with established environmental standards, not only in compliance with local and national laws, but also based on an internal standards framework that places a strong emphasis on pollution prevention.

Overall, pollution prevention is a dynamic process that has the following components:

- Risk assessment and analysis: the production plants have an assessment to identify possible sources of air, water and soil pollution. This includes analysis of production processes, raw material handling and waste management. Risk analysis tools are used to determine the critical points that could generate polluting emissions.
- Implementation of continuous monitoring: the plants promote the installation of monitoring systems in areas identified as high risk. These systems collect data on air quality and emissions, as well as water data at sites with water treatment plants. The information collected is used to detect patterns and possible incidents of contamination at an early stage.
- In addition, within this component, operational procedures are reviewed and updated to comply with environmental regulations.
- Investments in equipment: Viscofan promotes investment in the plants by seeking as far as possible the best available technologies to prevent pollution.

This includes, for example, the installation of filtering systems to efficiently capture and remove particles and compounds from emissions from production processes. These systems seek to ensure that the air quality in our facilities and in nearby communities is maintained at optimal levels. Likewise, the plants have gas scrubbing technologies for the elimination of gaseous pollutants through absorption and chemical reaction processes, significantly reducing the emissions of substances into the environment.

With regard to water, Viscofan works with the aim of further improving the quality of discharge into freshwater, endeavouring to achieve the correct purification of its wastewater and the minimisation of the environmental impact of its activities. As a result, Viscofan has water treatment plants at its manufacturing facilities, where the treatment of water makes it possible to improve the quality of discharges. Factories that treat 100% of the water are: Cáseda (Spain), Zacapu (Mexico), Koteks (Serbia), Itu (Brazil), Pando (Uruguay) and Suzhou (China).

- Development of response and mitigation protocols: rapid response protocols are developed and formalised to mitigate any pollution incidents that may occur. These protocols include emergency procedures, communication with local authorities and corrective measures to minimise environmental and public health impact.
- Audits: internal and external audits are carried out to assess the effectiveness of the measures implemented. Viscofan works with the aim of certifying all plants under the ISO 14001, which, among other environmental aspects, emphasises the minimisation and prevention of pollution events.

Also, the corporate Operational Sustainability team carries out exhaustive audits to assess and verify compliance with environmental regulations in each facility, and with ISO standards.

During audits, the team examines all aspects of the plant's operations, including waste management, air emissions, water discharges and resource use. They also identify areas for improvement and suggest more sustainable and efficient practices. A crucial part of their work is the assessment of environmental management systems, ensuring that plants have adequate procedures in place to minimise environmental impact.

On this basis, Viscofan considers that it has a strategy in place to address material impacts and risks with the aim of preventing a pollution event, seeking, as far as possible, the promotion of a management system and investments in the best available technologies that go beyond regulatory compliance. This qualitative analysis is based on the premise that it strives to improve the current status, both in the medium and long term. No quantitative resilience analysis has been performed.

Pollution-related policies

ESRS E2-1, ESRS 2 MDR-P

Pollution Control and Reduction Policy

Key content and principles

Within the framework of the General Sustainability Policy and in line with the Sustainable Development Goals (SDGs), Viscofan has a Pollution Control and Reduction Policy approved by the Board of Directors.

This policy is the framework for the establishment of an environmental management system in the Viscofan Group, under the principles of precaution, prevention and continuous improvement for air, water and soil pollution, a material issue according to the double materiality analysis. These are its basic principles of action:

- Recurrent assessment of the impacts and risks of air, water and soil pollution including analysis of production processes, raw material handling and waste management.
- Implementation and continuous monitoring of identified high-risk areas to detect patterns and possible incidents of contamination at an early stage.
- Promotion of investments in equipment with the best available technologies in the prevention of pollution.
- The development of rapid response protocols to mitigate any pollution incidents that may occur, with emergency procedures, communication with local authorities and corrective measures to minimise environmental and public health impact.
- Internal and external audits to assess the effectiveness of the measures implemented under ISO standards.
- The implementation of a structure of operational sustainability experts with skills in pollution prevention.
- Minimisation of substances of concern.

The Policy's basic principles and commitments will be developed and implemented based on the management of risks and impacts, establishing objectives, programmes and plans that promote the continuous improvement of processes and practices within the Group for pollution prevention, and particularly through:

- a) The supervision of compliance with and respect for the applicable regulations, as well as other obligations voluntarily assumed, including the implementation of certified environmental management systems and the performance of internal and external audits under ISO standards that, among other aspects, emphasise the minimisation and prevention of pollution events and promote their implementation in suppliers.

- b) The establishment and periodic review of objectives and plans for the reduction of polluting gases in the air, undertaking the necessary investments for the implementation of advanced filtering and emission scrubbing technologies, in order to improve air quality in accordance with applicable regulations.
- c) The establishment and periodic review of objectives of plans to reduce the consumption of water resources, and investment in the most advanced technologies that guarantee the purification of water used before its return to nature.
- d) Drafting of action plans to improve waste control and management, including circular economy projects for its disposal.
- e) Development of training programmes for professionals in the Group's companies that include pollution prevention skills.
- f) Promotion of Research and Development and Innovation and, to this end, establish partnerships with suppliers of specialised equipment to ensure the availability of advanced technologies for pollution prevention.
- g) Development of response and mitigation protocols for all production centres that include emergency procedures, communication with local authorities and corrective measures to minimise environmental and public health impact.

This policy is available on Viscofan's website in the section on Corporate Governance – Regulations and Policies.

Scope of the Policy

This Policy applies to the entire Viscofan Group and binds all its staff, regardless of the position and function they perform. It does not provide for exclusions in terms of activities or geographical areas.

It also sets forth that the Company will promote the application of the principles and bases of the Policy to any natural and/or legal person linked to the Group companies, when this is possible and advisable, in such a way that they follow principles and guidelines consistent with the Policy and the other sustainability policies.

Monitoring and supervision:

Monitoring of the Policy is the responsibility of the Board of Directors, which will exercise it through the oversight of the Appointments, Remuneration and Sustainability Committee regarding the development and implementation of sustainability policies and strategies, and of the Audit Committee in terms of the integrity of the non-financial information included in the management report, as well as in the supervision of non-financial risks arising from the Group's actions in relation to the Policy.

Additionally, the Group has an Executive Sustainability Committee whose tasks include promoting sustainability plans and programmes in the implementation of policies, and an Ethics and Compliance Committee reporting to the Audit Committee which, in addition to ensuring compliance with the Code of Conduct, manages the channel for reporting any offences by employees and other people related to the company.

Pollution-related actions and resources

ESRS E2-2, ESRS 2 MDR-A

The focus of Viscofan's actions for pollution prevention and minimisation is based on two aspects:

Environmental Management System. ISO 14001:

We are working to attain this environmental management certification at all our production plants. The breakdown of the Group's plants with the ISO 14,001 certificate at 31 December 2024 is as follows:

Country	Plant	ISO 14.001
Spain	Cáteda	Yes
	Urdiain	Yes
Germany	Weinheim	Yes
	Alfhausen	No
Serbia	Novi Sad	Yes
Czech Republic	Ceske Budejovice	Yes
Belgium	Hasselt	Yes
US	Danville	No
	Montgomery	Yes
	New Jersey	Yes
Mexico	Zacapu	Yes
	San Luis Potosi	Yes
Brazil	Itu	Yes
	Matarazzo	Yes
Uruguay	Pando	Yes
China	Suzhou (2 plants)	Yes
Australia	Sydney	Yes

Investments in equipment

CapEx allocated in the year to projects to protect water and air quality amounts to €9.9 million. The investments have been identified in the list of additions to property, plant and equipment and intangible assets of the Viscofan Group (see notes 5 and 6 to the consolidated financial statements).

Viscofan's commitment to protecting the environment and preventing air pollution is reflected in its investment in advanced technologies that allow us to reduce polluting gas emissions, namely the installation of a sulphates crystalliser and a gas scrubber at the Cáteda plant in Spain, and an emissions control system at the Zacapu plant in Mexico.

At the same time, Viscofan is working to promote investment in improving water purification and treatment capacity. In this regard, in 2024, we made investments to improve the water treatment and sanitation systems at the Zacapu plant in Mexico, Pando in Uruguay and Urdiain in Spain. In addition, Viscofan has treatment plants in factories that treat 100% of the water discharged.

These investments have been financed with the cash generation from the business, although Viscofan has financing with sustainable criteria that, although not particularly assigned to the aforementioned projects, contributes to the sustainable performance of Viscofan, framed in the Sustainability Action Plan. See note 15 of the consolidated financial statements.planta de Zacapu en México.



2.2.2. Metrics and targets

Pollution-related targets

ESRS E2-3, ESRS 2 MDR-T

Within the framework of the sustainability action plan, Viscofan has not established Group-wide specific pollution reduction targets aside from compliance with the limits established by the competent authorities.

The effectiveness of the actions and the environmental management system for the prevention of pollution described in this ESRS with respect to material IROs is monitored locally, with indicators based on the limits of emissions to air and water included in the environmental permits issued for all operations by the competent authorities. In addition, work is being done in view of improving the levels established by the applicable regulations as far as possible, although without establishing specific quantifiable targets within the framework of the Sustainability Action Plan.

This strategy has allowed us to respond to the specific needs of each location and ensure compliance with local environmental regulations, which identify priority substances and provide a guide to reduce emissions with which Viscofan works at a local level.

The Pollution Control and Reduction Policy, approved in December 2024, sets forth that, for the development and implementation of its basic principles and commitments, it will seek to establish objectives and plans for the reduction of polluting gases in the air.

On this basis and in accordance with the reporting regulations of this sustainability report, the relevant emission levels have been consolidated, creating a broader and more detailed view of our environmental impact across all our operations. It is expected that this information will serve as the basis for a thorough analysis in the coming years to identify patterns and key areas for improvement, and that it can serve as a solid basis for studying the feasibility of implementing a coherent global strategy that maximises our capacities and resources and can be articulated in the setting of targets as catalysts for improvement.

Air, water and soil pollution and substances

ESRS E2-4, ESRS E2-5

Pollutants

Below are the pollutants, in consolidated quantities of installations exceeding the thresholds detailed in Annex II to Regulation (EC) No 166/2006 of the European Parliament and of the Council (European Pollutant Release and Transfer Register, "European PRTR Regulation"), emitted into air, water and soil, with the exception of GHG emissions that have been reported in accordance with ESRS E1. Climate change.

- 267 tonnes of ammonia (NH₃) emitted into the atmosphere as a result of casing production.
- 361 tonnes of nitrogen oxides (NO_x/NO₂) emitted into the atmosphere that are generated in the combustion of natural gas in boilers to obtain steam.
- 96 tonnes of total organic carbon (TOC) (as total C or COD/3) into the water, mainly cellulose or collagen fibres, which on their own and in non-relevant quantities, are not harmful to the environment, but in high quantities can reduce the level of water oxygen and could affect marine ecosystems.

Viscofan has not used a direct measurement method for the quantification of polluting substances due to the complexity and variability of industrial processes. As a result, it is difficult to make precise direct measurements at all times in a continuous process such as the casings'.

Importantly, as they rely on estimates, there is an inherent degree of uncertainty in the calculations. This uncertainty can arise from multiple sources, such as variability in operating conditions, model accuracy and the precision of historical data.

In the case of ammonia (NH₃), it has been estimated based on consumption data of this raw material and with measurements of concentrations carried out by the R&D department in specific locations. A variability of +/-5 percentage points in the emission factor can lead to an increase or decrease of 16 tonnes in the quantity.

For nitrogen oxides (NO_x/NO₂) emitted, it is estimated based on a periodic annual measurement for the State Register of Emissions and Pollutant Sources and an official factor from the public entity in Navarre. This factor has been applied to the consumption of natural gas from boilers. A variation of +/- 5% in this factor can mean an increase or decrease of 19 tonnes in the quantity.

The total organic carbon discharged into the water is estimated through the average concentration from the weekly measurements made by an accredited external laboratory, applied to the average daily flow of the period. A variation of +/- 5% in this factor can mean an increase or decrease of 5 tonnes in the quantity.

Microplastics:

In 2024, the Viscofan Group has used 6,287 tonnes of microplastics in the manufacturing process of casings, films and plastic bags that mostly leave the facilities as products. This information has been obtained from consumption data in the SAP raw materials management computer system implemented in the Group's locations that have this type of production process.

Other substances

In accordance with Regulation (EC) No 1272/2008 of the European Parliament and of the Council, the Group has used substances of concern which, if mismanaged, could pose a chronic danger to organs and the marine environment through prolonged exposure in significant quantities.

- In the production process of cellulose and fibrous casings, Viscofan has used 8,429 tonnes of sulphur gaseous compounds and has emitted 6,457 tonnes thereof. The washing process prevents this compound from being incorporated into the final product, while air emissions are minimised by the installation of gas scrubbers.
- In the water purification and treatment facilities, Viscofan has used 2,918 tonnes of sodium hypochlorite in order to oxidise the organic matter before it is discharged into the water. However, in these facilities, this substance is transformed into other compounds not considered to be of concern such as chlorides, which have not been discharged into the water.
- Viscofan uses ammonia (NH₃) in the production process of casings (936 tonnes) which is then scrubbed and, in reduced concentrations, is emitted into the atmosphere (267 tonnes).

Viscofan has carried out an analysis on all implementations and no substances of very high concern have been identified as produced, used or placed on the market based on the criteria set out in Article 57 of Regulation (EU) No 1907/2006 (REACH) and have been identified in accordance with Article 59(1) of that Regulation.

Expected financial effects of pollution-related risks and opportunities

ESRS E2-6. Phased-in disclosure requirement

Viscofan does not report this information in this sustainability report because it is a phased-in disclosure requirement and therefore exempt from reporting in the first year of the sustainability report as per Appendix C of ESRS 1.

2.3.ESRS E5. Resource use and circular economy

In a world where consumption habits can lead to the use of unsustainable materials, at Viscofan a very significant part comes from raw materials considered to be renewable, i.e. of natural origin, or are biodegradable or come from raw materials that have already been recycled. Thus, 84% of our revenue comes from the sale of products with these characteristics.

However, Viscofan also considers how sustainability issues impact not only on its own operations but also along the value chain: raw materials, packaging, and help given to customers in their sustainability challenges and, in this sense, looking for circular solutions through better sustainability performance that impacts the entire value chain.

Current and potential impacts, risks and opportunities

Positive

- Recovery of waste in the production process
- Recovery of cellulose casing waste at the customer.
- Customer and consumer preference for casings of natural or biodegradable origin.
- Development in collaboration with the customer of products that enable a better use of resources.

Negative

- Impact on the environment due to the increase in waste disposed of.
- Plastic products. Taxation.
- Plastic products. Decrease in demand.
- Waste disposal. Increased restrictions from the administrations and the cost of managing them.
- Lack of availability of natural resources.

Policies and commitments

- Environmental Policy.
- Certification of 100% suppliers of pulp and abaca paper under the international Certification programme (PFEC or FSC) of sustainable forest management.
- Environmental management system based on ISO 14001.

Sustainability objectives

- Reduce the intensity of waste elimination.
- Reduce the intensity of water withdrawal.

Governance

- Board of Directors. Appointments, Remuneration and Sustainability Committee, Audit Committee.
- Executive Sustainability Committee.
- CEO.
- New Business Division.
- Operations Department.

2.3.1. Impact, risk and opportunity management

Identification and assessment process

ESRS 2 IRO

In the Viscofan Group's double materiality analysis described in ESRS 2 of this report, the circular economy and the eco-efficiency of operations have been identified as relevant aspects.

Several specific IROs have been identified based on the analysis of the Group's operations, the upstream and downstream phases of the value chain. At the same time as the identification, we have considered the inflow of resources, including the circularity of their flows, the outflows of resources related to products and the waste generated, considering the management and destination of all the types defined in the ESRS E5.

On this basis, impacts, risks and opportunities related to the transition to a circular economy and also to maintaining the status quo have been identified. The assessment has also made specific considerations with respect to concrete products sold to customers that may have implications for the circular economy, such as cellulose casings or plastic products; and as regards resource inflows, with a focus on the main raw materials of natural origin and water due to the risk of unavailability due to climate change, and plastic because of its implications in the circular economy.

The information from the double materiality analysis, and based on constant contact with stakeholders through the established channels, feeds the process for identifying and assessing IROs related to these material aspects.

The description of each IRO includes its particular characteristics and the elements used in its examination and analysis, with details about the value chain phase they can be found in.

Material impacts, risks and opportunities and their interaction with strategy and business model

ESRS 2 SBM-3, ESRS E5-6 (phased in)

Below are the main IROs, their classification by category and their description, as well as their interaction with Viscofan's business, strategy and financial planning in accordance with disclosure requirement SBM-3 of ESRS 2.

Viscofan's objective is to avoid or mitigate negative impacts and risks by actively deciding how to respond, while also seeking to promote positive impacts and harness opportunities by incorporating them into our strategy.

It should be noted that, for the material impact and risks of the use of resources and the circular economy, Viscofan has specific response plans in place to anticipate or mitigate possible future financial impacts. From this and the tolerance analysis of possible expected financial effects, no impairment was identified on the current assets and no significant investments were envisaged to comply with the commitments established in our 2022-2025 Sustainability Action Plan.

Impacts

Impact on the environment due to the increase in waste disposed of

Casing production is a continuous process whose characteristics generate waste throughout, namely viscose, collagen mass, casings discarded in the process, as well as packaging used in the different phases of the production process (mainly cardboard boxes, pallets, plastic films). Likewise, associated with environmental management at the water treatment plants and the gas treatment facilities, the Group generates a material amount of waste, particularly sludge.

In the case of waste disposed of, i.e. waste destined for landfill, incineration or other waste for treatment by a third party that is not classified as recovered, a significant increase can have a negative impact on the environment via pollution or increased emissions and thus contribute to a linear instead of a circular economy (one of the European Union's environmental objectives).

Although Viscofan's main activity, casings, represents a very small part of industrial GDP in the countries where it operates, an increase in production without seeking to reduce and recover waste could have a negative impact on the environment in the medium and long term, i.e. from 2030 onwards in line with the United Nations Agenda. Viscofan is a signatory of the UN Global Compact, having identified, among others, the commitment to ODS-12 Responsible production and consumption as a priority goal.

This impact has not materialised in the year. To manage the waste generated, we use disposal methods that have been chosen locally based on local regulations and good practices within the Group, taking into consideration the characteristics of the production process and the raw materials used.

Viscofan is working to ensure that this impact does not materialise in the future based on two main elements incorporated into the strategy.

First, Viscofan is constantly searching for a more efficient production technology that allows, among other things, a reduction in production waste. Furthermore, as established by the Environmental Policy, the concept of circular economy is included in the decision-making processes on investments and in the planning and execution of activities.

Second, it promotes and strives, in collaboration with third parties, for a greater recovery of waste through an increase in the reuse of products or recycled use after the corresponding transformation, such as composting or energy recovery as a thermal source. In this regard, Viscofan has set the target of reducing the intensity of waste elimination on metres of extruded casings by 30% (see section 2.3.2 of this ESRS).

Risks

Plastic products. Taxation on non-reusable plastic packaging

Some products sold by Viscofan are produced through the treatment of plastic polymers, and are considered non-reusable. The same applies to part of the packaging used by Viscofan. Because governments, particularly within the European Union, seek and promote a circular economy restricting the use of these products, they may levy taxes.

This is a risk materialised in Spain through the special tax on non-reusable plastic packaging and which is levied at 0.45 euros per kilogramme of non-recycled plastic. In 2024, it has entailed a cost of €0.2 million, recorded under "taxes", under

"other operating expenses"; see note 19.4. of the consolidated financial statements.

Although it has not yet materialised outside Spain, other European governments are studying the possibility of introducing a similar tax. In anticipation of this possible risk and for its quantification, from its experience of Spain, Viscofan is analysing the possible liable products, their identification and conversion to weight on the European continent.

To mitigate this risk, within the business model, in the New Business Division (that includes plastic-related products), Viscofan works in accordance with the 3R rules (reduce, reuse and recycle). The levers to reduce the use of non-reusable plastic include:

- Development and promotion of eFAN casing, which contains up to 95% recycled or bio-based plastic material.
- Efforts to reduce raw material waste in the extrusion of plastic products through process standardisation.
- Development of products that are thinner and therefore have lower plastic requirements.
- Search for degradable plastic casings.

Plastic-related products. Decrease in demand

Viscofan has identified the risk of reduced demand for casings, films and bags from the treatment of plastic polymers, in the face of consumers who are increasingly concerned about the environment and who change their preferences towards recyclable or bio-based product alternatives.

In 2024, Viscofan has not identified that this risk has materialised in the relevant markets where it sells this type of product.

Viscofan considers that this is a risk that could have an impact in the medium and long term. However, being able to accurately predict the financial impact of changes in consumer preferences in different geographies and over time, and in particular isolating them only for this purpose, is a very complex exercise subject to many uncertainties. Nevertheless, in a sensitivity analysis, if we assumed a decrease in demand of 10% in Europe and North America, based on the revenue of these products, it could lead to a reduction in the revenue of this indicator of less than €10 million, i.e., below 1% of the total revenue of the Viscofan Group.

To mitigate this risk, within its family of plastic products, Viscofan has developed the eFAN casing, which contains up to 95% recycled or bio-based plastic material. Although sales of this product are currently low, Viscofan is striving to increase their importance through commercial promotion

and by improving supply sources. In addition, the Group's main plastic extrusion and converting centres are ISCC PLUS certified, a sustainability certification programme for bio-based and circular (recycled) raw materials.

Viscofan also has natural-origin biodegradable product families, so this could represent an opportunity as detailed below.

Waste disposal. Increased cost in management

Viscofan has identified the increase in the cost of managing waste disposal as a risk. An increase in cost could be the result of stricter regulations, the introduction of higher disposal rates or the need for more advanced disposal technologies.

In 2024, Viscofan has not experienced any relevant restrictions on waste management in the main sites. Likewise, the Group's expenses classified as environmental, which mainly include waste management, have remained stable in the year at below 1% of the Group's revenue. See "environmental expenses", under "other operating expenses", in note 19.4. of the consolidated financial statements, and the detail of the net turnover in note 19.1. of the consolidated financial statements.

Although this is a risk that could have an impact in the medium and long term, being able to accurately predict the increase in restrictions and the cost of waste management and thus quantify the financial impact is a very complex exercise with many uncertainties. However, in an analysis of sensitivities, a 10% increase in this cost at Group level would mean an impact of less than €1 million more spending in a year.

The interaction with Viscofan's strategy and business model and the resilience to this risk has been addressed and described above in "Impact on the environment due to the increase in waste disposed of".

Lack of availability and increase in the price of natural resources. Water and collagen skins

The dependence on collagen skins and water for Viscofan's business model are two risks that may mean that Viscofan is affected by climate change. These risks have been analysed in section ESRS E1. Climate change.

Opportunities identified

Customer and consumer preference for casings of natural or biodegradable origin

Viscofan has identified the opportunity represented by the change in consumer preferences and the drive by meat processors, as their concern for the environment increases, towards recyclable or bio-based product alternatives such as cellulose or plastic casings of recycled or natural origin to the detriment of traditional plastic casings.

In 2024, Viscofan has not identified that this opportunity has materialised significantly in the relevant markets where it sells this type of product, neither in the cellulose casings, nor in the eFAN line, whose demand remains moderate.

Viscofan believes that this is an opportunity that could have a positive impact in the medium and long term, as it can offer alternative products within its range of non-plastic casings or solutions based on plastics of recycled or biodegradable origin. However, being able to accurately predict the positive financial impact of changes in consumer preferences in different geographies and over time, and in particular to isolate them only for this purpose, is a very complex exercise and subject to many uncertainties.

Waste recovery. Reduction of the cost in management and use as a source of energy mainly

A greater recovery of waste from the Group's production process can generate a dual impact: the reduction of the current cost of waste management, and the use of waste for Viscofan's own production process and its sale as a by-product for other industries.

Recovery of cellulose casing waste at the customer

Like Viscofan in its own operations, our customers in theirs face the challenge of the circular economy and, in particular and within Viscofan's scope, of the recovery of waste from cellulose casings, which, peeled after cooking the sausage, are mostly not recovered.

As a leader in casings, and as an extension of its commitment to the circular economy and as a competitive advantage, Viscofan collaborates with a group of customers and industry agents in a project known as CIRCAL, to find an efficient and cost-competitive solution to recover the waste from cellulose casings after the production of cold meats/ sausages.

These projects are highly complex as they depend on the search for new technological and logistical solutions in some cases, and have not borne fruit in 2024.

Development with the customer of products that allow a better use of resources

Viscofan, as a leader in casings, promotes collaboration with customers for the development of products that allow a better use of ingredients and other resources in the production of cold meats and sausages. When compared to animal casings, collagen casings enable greater efficiency and use given their greater size uniformity and because they do not need to be washed before they are used in the stuffing process.

Policies related to the use of resources and the circular economy

ESRS E5-1, ESRS MDR-P

Environmental Policy

Key content and principles

Within the framework of the General Sustainability Policy and in line with the Sustainable Development Goals (SDGs), Viscofan has an Environmental Policy approved by the Board of Directors in December 2020.

Both the Sustainability and the Environmental policies are available on Viscofan's website in the section on Corporate Governance – Regulations and Policies.

Basic policy principles and commitments include:

To mitigate the environmental impact at all stages of decision-making processes, incorporating the environmental dimension and the concept of the circular economy into investment decision-making processes and in the planning and execution of activities and promoting their inclusion in cost-benefit analyses.

In particular, the Environmental Policy establishes that the development and implementation of its basic principles and commitments will be carried out on the basis of specific policies and the strategies and action plans that are defined for each area of action. Among others, it addresses the waste hierarchy, focusing on waste management aimed at reducing waste in landfill, an objective that is indirectly related to greater recovery, as well as excellence and operational efficiency that seeks to minimise waste as much as possible.

This policy addresses elements that are related to material impacts, risks and opportunities in Viscofan's own operations and throughout the upstream and downstream phases of the value chain, identified in the 2024 double materiality analysis.

The policy does not make explicit the transition away from the use of virgin resources, including the relative increase in the use of secondary (recycled) resources; sustainable sourcing and the use of renewable resources.

Scope of the Policy

This policy applies to all companies in the Viscofan Group and binds all its staff, regardless of the position and function they perform.

Additionally, the policy sets forth that Viscofan will foster the application of the Policy's principles and bases with any natural and/or legal person linked to Viscofan by a relationship other than an employment relationship where it is possible and appropriate for them to follow principles and guidelines consistent with those set out in this Policy and other sustainable development policies.

Monitoring and supervision:

Monitoring of the Policy is the responsibility of the Board of Directors, which will exercise it through the oversight of the Appointments, Remuneration and Sustainability Committee regarding the development and implementation of sustainability policies and strategies, and of the Audit Committee in terms of the integrity of the non-financial information included in the management report, as well as in the supervision of non-financial risks arising from the Group's actions in relation to the Policy.

Likewise, the Group has an Executive Sustainability Committee whose tasks include promoting sustainability plans and programmes in the implementation of policies, and an Ethics and Compliance Committee reporting to the Audit Committee which, in addition to ensuring compliance with the Code of Conduct, manages the channel for reporting any offences by employees and other people related to the company.

Viscofan Group's environmental standard

All the Viscofan Group's production plants comply with national legislative requirements and most of them are ISO 14001 certified. The Environmental Standard is an important component of the Group's Environmental Management System.

Actions and resources related to the use of resources and the circular economy

ESRS E5-2, ESRS 2 MDR-A

This section details the main actions carried out in 2024 and those planned in relation to the material impact, risks and opportunities as regards the use of resources and the circular economy, and the targets set. For these, the scope is detailed, i.e. whether they take place in Viscofan's own operations or in the value chain, the time horizon, which in most cases is one or two years, and whether and how they cover the categories established in point 20 of the ESRS E5.

Overall, in 2024, Viscofan has identified relevant projects whose CapEx amounts to €1.5 million². The investments have been identified in the list of additions to property, plant and equipment and intangible assets of the Viscofan Group (see notes 5 and 6 to the consolidated financial statements). These investments have been financed with the cash generation from the business, although Viscofan has financing with sustainable criteria that, although not particularly assigned to the aforementioned projects, contributes to the sustainable performance of Viscofan, framed in the Sustainability Action Plan. See note 15 of the consolidated financial statements.

The Group's environmental expenses, which largely correspond to waste treatment expenses, have led to an OpEx in 2024 of €10.8 million. This expense item is included under "Other operating expenses" in Viscofan's income statement; see note 19.4 of the consolidated financial statements.

Main actions:

With the aim of minimising the environmental impact of the increase in waste disposed of, the risk of increasing restrictions from administrations and the cost of waste management and, by extension, harnessing the opportunity for greater waste recovery in the production process, Viscofan has carried out initiatives that partly contribute to the goal of reducing the intensity of waste elimination detailed in section 2.3.2. of this ESRS. Of particular note:

- Application of circular business practices as system efficiency actions (ESRS E5 – 20.d) i.v): Viscofan is constantly searching for a more efficient production technology that enables, among other things, a reduction in production waste in its own operations. In 2024, Viscofan has worked on improving the learning curve of the installation of a new cellulose casing technology in Danville (installed in 2023) which, compared to the previous one, has led to reduction in the waste of cellulose casings in extrusion.
- Optimisation of waste management in line with the waste hierarchy (ESRS E5 – 20.f): at the Cáteda plant (Spain), the energy recovery of 353 tonnes of viscose waste is now viable. In addition, the recovery of waste for use as fertiliser has continued in this plant (in 2022, it was disposed of), and the reuse of viscose thanks to facilities made for this purpose.

At the Cáteda plant, Viscofan has also made progress in the project to install a biomass boiler, which is scheduled to be commissioned in 2025, with an estimated reduction of 4,000 tonnes of cellulose casing waste, 7% of the Viscofan Group's total waste in 2024.

² It includes €0.9 million in investment in auxiliaries for the installation of a boiler with biomass since it promotes the circular economy of cellulose and fibrous casing waste, a project also reflected in the investments of the ESRS E1, as it is an installation for producing renewable energy.

With regard to plastic products and their associated risks of taxation and a possible decrease in demand in the transition to a circular economy, Viscofan has carried out initiatives:

- Higher levels of efficiency in the use of technical materials (ESRS E5 – 20.a)): in the plastics family in 2024, the development and operations of this product family have continued to advance in accordance with the 3Rs (reduce, reuse and recycle). This included the reduction of raw material waste in the extrusion of plastic products in the operations themselves. Processes have been standardised and, in particular, at the plant in the Czech Republic, a lean system has been implemented to improve the management and organisation of the operational processes.

At the same time, all the Group's factories with plastic casing production have been recertified according to the ISCC PLUS system. The Canadian subsidiary also received ISCC PLUS certification. For Viscofan, this means that all eFAN casings, manufactured with raw materials of biological origin and/or raw materials from recycled post-consumer plastic waste, can now be marketed worldwide.

Faced with the risk of unavailability of raw materials of natural origin, these initiatives were carried out:

- Higher levels of efficiency in the use of technical materials (ESRS E5 – 20.a)):

Water: in its operations, Viscofan seeks to reduce the intensity of water collection through the installation of new production technologies with lower water requirements, efficiency measures in water use, and water reuse. Strategy framed within the goal of reducing the intensity of water collection.

To this end, in 2024, Viscofan has worked on improving the learning curve of the dry-tech collagen casing technology machinery, for a reduction in water withdrawal requirements (commissioned in 2023 at the New Jersey plant in the USA).

Several Group plants have promoted projects to reuse the water collected, totalling 78,870 m³ and representing 6% of the total water consumed by the Viscofan Group.

Raw material cellulose and abaca paper: this measure takes place upstream in our value chain, specifically in our suppliers, given that Viscofan has acquired 100% of these raw materials with a sustainable certificate, i.e., all suppliers are certified by the international certification programme (PFEC or FSC) that ensures that the cellulose they obtain comes from the sustainable management of trees and forests and, therefore, does not contribute to the planet's deforestation.



2.3.2. Metrics and targets

Targets related to resource use and the circular economy

ESRS E5-3, ESRS 2 MDR-T and MDR-M

As part of its commitment to efficiency in the use of resources and the circular economy set forth in the Sustainability Action Plan, Viscofan has the following targets established in relative value. They are considered to be those in which the Group can make a greater contribution and better measure performance:

Of the categories of targets established by ESRS E5 point 24, Viscofan's target for reducing the intensity of waste elimination is related to the outflow of resources and specifically to subsection e) waste management. The target of reducing the intensity of water withdrawal is related to the inflow of resources and specifically to subsection f) other issues related to the use of resources or the circular economy. Viscofan does not have other targets related to the rest of the categories.

Reduction of the intensity of waste elimination

As a signatory to the United Nations Global Compact, Viscofan is committed to SDG 12: Responsible Production and Consumption. Under this commitment Viscofan has voluntarily established a goal to reduce the intensity of non-circular waste, based on the Environmental Policy and within the framework of the Sustainability Action Plan,

This target is based on the management of resource outflows, particularly waste, seeking a 30% reduction in the intensity of waste elimination on meters of extruded casings by 2030.

With this target, Viscofan seeks to reduce, within its scope of action, the possible impact that the waste eliminated from

Viscofan's production process may have on the environment, as well as to minimise the risk of increased restrictions by administrations and the cost of managing these. In turn, this represents an opportunity to encourage greater recovery of waste in the production process.

To set this target, we have envisaged for the denominator, the metres of extruded casings, an increase in production based on the greater demand for casings foreseen in the Beyond25 strategic plan and the historical growth of the market from 2% to 4% in volumes; while establishing as levers the development of technologies with greater production efficiency including the reduction of productive waste, collaboration with third parties in the search for recovery solutions, promotion of the use of cellulose waste in biomass, as well as better measurement and classification for better recovery.

This target has no intermediate milestones, and no ecological thresholds, entity-specific allocations and conclusive scientific evidence have been considered when setting it.

The target was set on the basis of 2018, as it was the reference year used for the sustainability objectives and from which Viscofan's first Sustainability Action Plan was established. The target's scope is all the production plants of the Viscofan Group.

The Executive Sustainability Committee monitors performance against this target on a quarterly basis, identifying catalysts for variances. This Committee also reports regularly to the Board of Directors' Appointments, Remuneration and Sustainability Committee.

The variations in the ratio on a baseline of 100 for 2018 are as follows:

Base 100 year 2018	2030 Commitment	2024	2023	2022	2021	2020	2019	2018
Tonnes of waste elimination/ Metres extruded	70	75	80	89	102	100	97	100

Reduction of water withdrawal intensity

The information about this target has been reported in point 2.1.5 of the ESRS Climate Change.

Resource inflows

ESRS E5-4, ESRS 2 SBM-1 paragraph 42

The inflows of material resources for Viscofan are as follows:

Raw materials

We take the utmost care with the raw materials we work with, ensuring that the highest standards of health and food safety are maintained at all stages of production. In addition, a significant proportion of these products are of natural, biodegradable or recycled origin.

In 2024, Viscofan has consumed more than 250,000 tonnes of technical and bio-based products and materials. In terms of euros, materials of biological origin account for 54% of the total, i.e. animal- and plant-based materials, although they needed prior processing to be introduced into Viscofan's production process. In the case of cellulose and abaca paper, 100% of the purchases have been made from suppliers certified under the international certification programme (PFEC or FSC), which ensures that the cellulose they obtain comes from sustainably managed trees and forests and, therefore, does not contribute to the deforestation of the planet. In the case of collagen hides, this is a clear example of the reintroduction of by-products into the food chain, since the intermediate layer containing the richest collagen is extracted from cowhides that are mainly used for textile purposes, and used as a raw material to produce edible collagen casings that will in turn serve as an ingredient in cold meats and sausages.

Viscofan has chosen to omit exact figures on the absolute weight or volumes of raw materials for confidentiality reasons, as this information is very sensitive from a competitive point of view.

The measurement of the weight of raw material consumption is made based on the accounting of the purchase invoices in the SAP ERP, which is aggregated monthly by value and weight by the corporate controlling department as per the defined categories of raw materials.

For casings, films and bags from the treatment of plastic polymers, Viscofan, as part of its goal of promoting a circular economy, has developed the eFAN casing, which contains up to 95% recycled or bio-based plastic material, promoting the use of secondary materials. For its manufacture in 2024, Viscofan has acquired plastic polymers with these characteristics. However, given that the demand for this product is not yet relevant, the consumption of this type of raw material amounts to 5.5 tonnes, less than 1% of the total weight of the Group's raw materials.

The description of the main raw materials used by the Group can be found in ESRS 2 point 1.1.3. Strategy.

Water

Viscofan's production plants require water collection for different phases of the process, such as the washing of casings, refrigeration, steam production and the moistening of said casings.

However, at Viscofan's production plants, in 2024, 14% of the water captured was evaporated, was incorporated into the product or was consumed, while the remaining 86% was taken to purification plants installed at Viscofan's production plants to be processed before being returned to freshwater surfaces or municipal processing plants.

To calculate the water withdrawal data, in some facilities, we use the information in the water suppliers' invoices; and in other cases, when the water is obtained from surface or groundwater, we use information from the meters installed at the water inlet in the factory facilities. This information is standardised and aggregated at the corporate level in the natural reference periods, using in turn a single measurement, cubic meters (m³).

Viscofan's water management focuses its efforts two-fold. Firstly by seeking production technology with a lower water requirement, mainly in phases of the process that involve the washing of casings. Once the water has been used, Viscofan works to improve the quality of what we discharge even further and to understand the risks associated with its availability and use in the areas in which we operate.

The data on water withdrawal by type of source and consumption calculated as the difference between total collection and discharge is as follows

Water withdrawal by source type. m3	2024	2023
Surface water	3,938,619	4,076,839
Groundwater	2,729,788	2,814,138
Municipal supplies	3,002,531	3,221,360
Rainwater	0	0
Waste water	0	0
TOTAL	9,670,938	10,112,337
Consumption in process	1,355,793	1,271,898

In the year, water collection was reduced by 4% in a context of lower casing production activity and thanks to the water consumption efficiency and reuse initiatives implemented during the year, as described above.

The water reused in the year is as follows:

	2024	2023
Water reused in m3	78,870	85,341
% of the water consumed	5.8%	6.7%

Packaging

Viscofan's business model is characterised by the sale of ingredients or auxiliary raw materials in large volumes to food production companies, so that the packaging sent by Viscofan to the customer is not individualised by product or unit of use. For this reason, packaging is a reduced cost and has not been identified as a relevant aspect within Viscofan's double materiality analysis which, moreover, does not end at the final consumer. Most of the packaging that Viscofan buys by relevance and weight are caddies, boxes and pallets. This packaging is used to protect the quality and safety of the casings shipped to the customer, 17,141 tonnes in 2024. This amount has been calculated using the information recorded in the SAP ERP based on the average weight for each packaging reference and, when it is not available, with an estimate applying theoretical weights to the units of the main packaging families described above.

Viscofan does not manage information on the weight of packaging of raw materials whose purchase is managed by suppliers, nor has this been identified as a relevant aspect within the relative importance matrix. Some of these use reusable packaging, such as the containers that store collagen skins; another part is biodegradable and recycled, such as the cardboard that contains cellulose paper; and to a lesser extent, other packaging is of synthetic origin, for which Viscofan promotes the recycling of these as far as possible.

Machinery, plant & equipment

The technology required for casing production is proprietary and involves the use of machinery, facilities and equipment developed by Viscofan compared to trusted suppliers. Also, the production plants require a series of auxiliary facilities for energy supply and the treatment of waste and emissions.

Resource outflows

ESRS E5-5

Products and materials

The products from Viscofan's production process have been described in ESRS 2. Due to their biodegradability, key products (cellulose, fibrous and collagen casings) are not considered to be material in terms of the circular economy principles established in paragraph 35 of the ESRS E5. However, casings, films and bags obtained from the treatment of plastic polymers are material in terms of their recyclability.

See below the materiality analysis on resource use and circular economy for each key product:

Casings, films and bags through the treatment of plastic polymers

These are products produced through the treatment of plastic polymers. According to the European Union's environmental taxonomy criteria, it is an eligible activity in the objective of transition to a circular economy, like the manufacture of plastic packaging, although it is not aligned with the technical criteria. Therefore, Viscofan works to promote the use of renewable and bio-based raw materials and has an eFAN casing line. This product contains up to 95% recycled or bio-based plastic material, although for the moment sales are low, at less than 1% of the Group's revenue.

However, Viscofan is seeking to increase its relevance through commercial promotion and by improving supply sources, as detailed in section 2.3.1. of this ESRS.

Cellulose and fibrous casings:

A plant-based product used by meat processors in the cold meat and sausage production process. They give the shape and appearance to the meat/sausage, although they are mainly peeled off before being marketed to the final consumer and discarded. Since they are plant based, they are biodegradable, albeit this may be a long process because of their characteristics.

For this reason, Viscofan is working in partnership with several entities in the sector to recover the waste from cellulose casings. Additionally, in the design of new product types, among other goals, Viscofan is working with the aim of developing casings that make the production process more efficient for customers by using fewer raw materials and reducing waste.

Collagen casings:

An animal-based product used by meat processors in the cold meat and sausage production process. This technology is based on the concept of circular economy with the bio-recovery of a by-product of cowhide leather, collagen, from which the casing is produced. They give the shape and appearance to the meat/sausage and most of them are part of the final product and do not generate waste in their consumption.

Collagen casings are designed to replace animal casings in cold meat/sausage production, in part because they allow for more resource-efficient production by having greater size uniformity and because they do not require water-based washing at the customer's premises in the pre-stuffing phase.

Efficient and circular management of waste

Viscofan is constantly looking for a more efficient production technology that allows, among other things, to reduce production waste as established by the environmental policy.

Casing production is a continuous process whose characteristics generate waste throughout, namely viscose, collagen mass, casings discarded in the converting process, as well as the packaging used in the different phases of the production process (mainly cardboard boxes, pallets, plastic films). Likewise, associated with environmental management at the water purification plants and the gas treatment facilities, the Group generates a material amount of waste, particularly sludge.

For the management of the waste generated, we use disposal methods that have been determined locally based on local regulations and good practices within the Group, taking into consideration the characteristics of the production process and the raw materials used.

In the Viscofan Group, waste is measured mainly on the basis of the weigh-ins carried out by the waste management entities. Waste is classified on the basis of recovery criteria with the categories of reused, recycled, composted and energy recovery; and elimination, with the categories of landfill, incineration or other unclassified destinations. This classification has been established at the corporate level by the operational sustainability department based on Viscofan's standard and seeks to avoid overlapping between the categories of reused and recycled. In addition, all of the categories described above are separated into hazardous and non-hazardous waste.

Viscofan's production process does not generate radioactive waste as defined in Article 3(7) of Council Directive 2011/70/Euratom.

The evolution of waste by type based on the reporting requirements of the ESRS E5 is as follows:

In tonnes	2024	2023
Recovered	30,487	36,055
Elimination	24,404	27,661
Total waste	54,891	63,716

Recovered. In tonnes	2024	2023
Reused	3,851	4,516
Recycling	6,869	6,206
Composting	14,047	15,298
Energy recovery	5,720	10,035
Total waste recovered	30,487	36,055

% of total waste	2024	2023
Reused	7.0%	7.1%
Recycling	12.5%	9.7%
Composting	25.6%	24.0%
Energy recovery	10.4%	15.7%
Total waste recovered	55.5%	56.6%

Elimination. In tonnes	2024	2023
Incinerated	2,081	3,231
Landfill	21,637	24,300
Other	686	130
Total waste elimination	24,404	27,661

In tonnes	2024			2023		
	Non-hazardous	Hazardous	TOTAL	Non-hazardous	Hazardous	TOTAL
Reused	237	3,614	3,851	149	4,367	4,516
Recycling	6,491	378	6,869	5,864	342	6,206
Composting	14,047	0	14,047	15,298	0	15,298
Energy recovery	4,762	957	5,720	2,652	7,383	10,035
Incinerated	1,754	327	2,081	3,091	140	3,231
Landfill	19,445	2,192	21,637	22,460	1,840	24,300
Other	600	86	686	1	129	130
TOTAL	47,337	7,554	54,891	49,515	14,201	63,716

In 2024, the tonnes of waste went down by 14% compared to 2023 in a context of lower production activity and as a result of the actions detailed above. Viscofan is working on greater recovery of waste by increasing the reuse of products, or recycled use of waste after its corresponding transformation, such as composting, or energy recovery as a thermal source. In this regard, the consolidation of projects from previous years and the implementation of new ones has allowed the Group to reduce the intensity of waste elimination on millions of metres of extruded casings by 7% and to place the percentage of recovered waste at 56%.



2.4. European taxonomy for environmentally sustainable economic activities

According to the environmental taxonomy criteria of the European Union, around 87% of Viscofan's business volume is not eligible under the European taxonomy as it does not have a significant impact on the six environmental objectives.

The activity of cogeneration of heat/cold and electricity based on natural gas is eligible for the objectives of adaptation to and mitigation of climate change and the activity of manufacturing casings, films and bags obtained through the treatment of plastic polymers is eligible for the objective of transition to a circular economy as the manufacture of plastic containers.

In the case of cogeneration, the technical alignment requirements require further development to facilitate the replacement of fossil fuel in line with the pioneering decarbonisation work that the Group is carrying out in Spain.

Regarding casings, films and bags obtained through the treatment of plastic polymers, based on the preliminary analysis carried out, the value chain of this activity has not yet fully progressed to meet the technical alignment criteria established in the regulations, towards which Viscofan is working, particularly the development and promotion of casings with a percentage of recycled material and materials of natural origin.

Regarding casings, films and bags obtained through the treatment of plastic polymers, based on the preliminary analysis carried out, the value chain of this activity has not yet fully progressed to meet the technical alignment criteria established in the regulations, towards which Viscofan is working, particularly the development and promotion of casings with a percentage of recycled material and materials of natural origin.

Foundation

Regulatory evolution

In its notification dated 8 March 2018, the European Commission presented its "Action Plan: Financing Sustainable Growth", which marks the beginning of an ambitious and comprehensive strategy. The objective is for finance to play a fundamental role in acting as an engine to move towards an economy that ensures compliance with the objectives of the Paris Agreement and the 2030 Agenda of the European Union (EU) for Sustainable Development.

In this context, the set of proposed measures defines ten specific actions, with the main focus on redirecting capital flows towards sustainable investments. As a result of the first of these actions, the Taxonomy Regulation was promulgated, specifically Regulation (EU) 2020/852. This regulation aims to establish a classification system that, based on objective criteria, determines which economic activities are considered sustainable.

The Taxonomy Regulations establishes six environmental objectives:

- Climate change mitigation
- Climate change adaptation
- The sustainable use and protection of water and marine resources
- The transition to a circular economy
- Pollution prevention and control
- The protection and restoration of biodiversity and the ecosystems

This regulation has been modified gradually over several years to include the technical selection criteria for the 6 objectives.

On 4 June 2021, the Delegated Regulation (EU) 2021/2139 was published on sustainable activities for the objectives to mitigate and adapt to climate change. Therefore, technical selection criteria were established to determine the conditions in which it is considered that an economic activity substantially contributes to these two objectives, and to determine if such economic activity does not cause significant harm to any other environmental objectives.

On 6 July 2021, the Commission adopted the Delegated Regulation (EU) 2021/2178, completing article 8 of the Taxonomy Regulation. This delegated act specifies the content, methodology and presentation of the information that must be disclosed to the financial and non-financial companies in relation to the proportion of environmentally sustainable economic activities with regard to its commercial, investment or lending activities.

On 9 March 2022, the European Commission published Delegated Regulation 2022/1214 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards public disclosure of specific information on these economic activities.

On 27 June 2023, the European Commission adopted Delegated Regulation (EU) 2023/2486, which completes Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical selection criteria to determine in what conditions an economic activity will be considered to contribute substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to the prevention and control of pollution, or to the protection and recovery of biodiversity and ecosystems, and to determine whether such economic activity does not cause significant harm to any of the other environmental objectives. It also introduces amendments to Commission Delegated Regulation (EU) 2021/2178.

In addition, on 27 June 2023, the Commission adopted Delegated Regulation (EU) 2023/2485 amending Delegated Regulation (EU) 2021/2139 which

established additional technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.

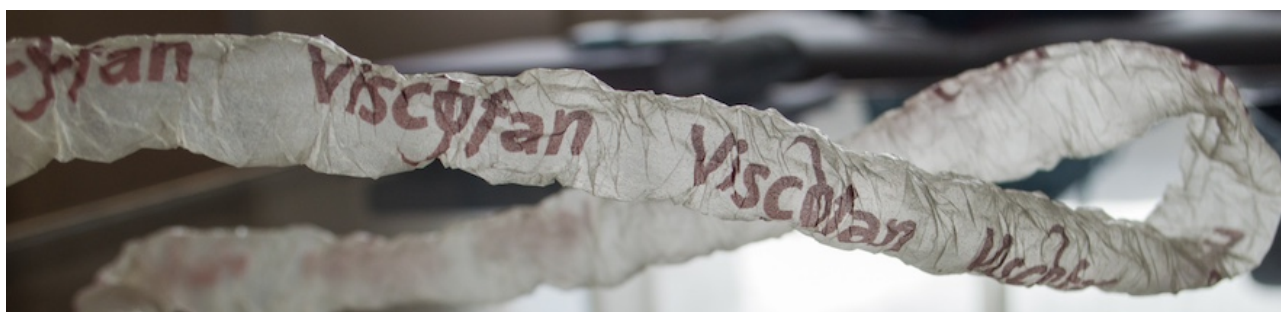
Activity classification bases

In order to determine that an activity is "environmentally sustainable", it is necessary to start from the distinction established by the Regulation between two types of activities:

- Eligible activities: those that have a significant impact on the achievement of any of the six environmental objectives set out in the Regulation, irrespective of whether that economic activity meets any or all of the technical selection criteria set out in those delegated acts.
- Aligned activities: Those that have a significant impact on the achievement of any of the six environmental objectives set out in the regulation and in addition:
 - Does not cause any detriment to the other environmental objectives set out in the Regulation.
 - It complies with technical selection criteria established by the Commission.
 - It is carried out in accordance with the minimum guarantees set out in Article 18 of the Regulation.

Reporting obligations for the 2024 financial year

In accordance with the regulations in force at the date of preparation of this management report, Viscofan's obligations with respect to the taxonomy are the reporting of eligible and ineligible activities and whether they are aligned with the taxonomy for the six environmental objectives



Analysis of implications for Viscofan

Analysis of eligibility with respect to the 6 environmental objectives

The Viscofan Group has conducted an analysis to identify the eligibility of the Group's activities with respect to the six environmental objectives:

The Traditional Business division, which represents 83% of the Viscofan Group's business volume (see note 19.1 of the consolidated report), includes the manufacture and distribution of cellulose, fibrous and collagen casings for sausages and other applications. This activity has not been identified by the European Commission as having a significant impact on any of the six environmental objectives, and, therefore, they are not eligible activities that are included in the annexes to the regulations described above.

The New Business division represents 12% of the Viscofan Group's business volume and encompasses several activities. Of these, the activity of manufacturing casings, films and bags obtained through the treatment of plastic polymers is included as an eligible activity in the objective of transition to a circular economy as the manufacturing of plastic containers. The rest of the division's activities are not eligible according to the taxonomy or are of little relevance.

Energy sales account for 5% of the Viscofan Group's business volume. They include the cogeneration activity, which in the Viscofan Group consists of the sale to third parties of the electricity that the Group does not use in the production process of its main activity. It is included in Annexes 1 and 2 of the Regulation as an eligible activity with respect to the objectives of climate change mitigation and climate change adaptation. The rest of the energy sales correspond to income from the sale of electricity transformed at the Zacapu facilities (Mexico), an activity that is not eligible according to the taxonomy.

With the exception of those detailed above, none of Viscofan's economic activities have been identified as directly linked to the specific activities related to the six environmental objectives. In certain complementary or support operations carried out in the production plants of the main activity, such as water or waste treatment, the corresponding analysis has not been carried out as they are not business activities that generate income, and their turnover indicator is null. Also, the investments and operating expenses that correspond to these cross-cutting activities are, in some cases, included in the corresponding items for the facilities of the main activity. There is not sufficient detail as they are integrated into general items and there is not the evidence needed to assign them to specific objectives and be classified as eligible.

Alignment analysis of environmental objectives

Cogeneration

Viscofan has carried out alignment analysis of the cogeneration activity based on the provisions of Annex I of the Regulation, which includes the criteria that this activity must meet in order to be considered as making a substantial contribution to climate change mitigation.

In this regard, the technical criteria for selection of substantial contribution set out in section 4.30 (High efficiency cogeneration of heat/cold and electricity from gaseous fossil fuels) of this Annex set a minimum level of greenhouse gas emissions for a cogeneration activity to be aligned that is technically impossible to achieve with the use of 100% fossil fuel, requiring the blending of non-fossil fuels and the development of new technologies that would allow such consumption.

In this respect, while striving for the decarbonisation of its processes, Viscofan is being a pioneer, has cogeneration engines with the capacity to use green hydrogen as fuel, and has successfully completed tests using this renewable energy source. Although a regular continuous supply of green hydrogen is not currently available, Viscofan is prepared for a rapid transition when such a supply becomes available.

Manufacture of casings, films and bags through the treatment of plastic polymers

Viscofan has carried out alignment analysis of this activity based on the provisions of Annex II of the Regulation, which includes the criteria that this activity must meet in order to be considered as making a substantial contribution to the transition to a circular economy.

Based on this analysis, the activity of manufacturing casings, films and bags through the treatment of plastic polymers does not meet the established technical criteria of circularity and reuse.

However, Viscofan, within its objective of promoting a circular economy, has developed the eFAN casing, which contains up to 95% recycled or bio-based plastic material. Current sales of this product are low, but Viscofan is seeking to increase their importance through commercial promotion and by improving supply sources. In addition, the Group's main plastic extrusion and converting centres are ISCC PLUS certified, a sustainability certification programme for bio-based and circular (recycled) raw materials.

Calculation of indicators

The main key performance indicators have been calculated in accordance with the EU Commission Delegated Regulation, which complements Regulation (EU) 2020/852 of the European Parliament and of the Council. This regulation details the content and presentation of the information that must be disclosed by companies subject to articles 19 bis or 29 bis of Directive 2013/34/EU in relation to sustainable economic activities from an environmental perspective. It specifies the method for complying with the obligation to disclose information about the presentation of data related to economically sustainable activities from an environmental point of view.

Calculation of the key performance indicator relating to turnover, and change

For the calculation of the indicator, the accounts required by the Regulation have been identified in the denominator, which are 100% of the turnover recorded under the heading "net turnover" and which is detailed in the consolidated financial statements of the Viscofan Group in accordance with IFRS-EU (see note 19.1 of the consolidated financial statements).

For the calculation of the numerator, the amount of sales and service provision of the eligible activities has been used.

Calculation of the key performance indicator for capital expenditure (CapEx)

For the calculation of the CapEx indicator, the denominator includes the total investments in intangible fixed assets, investments in property, plant and equipment and investments in assets for rights of use of the Viscofan Group, considered before depreciation, amortization and possible new valuations, including those resulting from revaluations and impairments, corresponding to the relevant year, and excluding changes in fair value. The denominator also includes additions to tangible and intangible assets resulting from business combinations. See notes 5, 6 and 7 of the consolidated financial statements.

For the numerator, projects carried out during the year that can be considered as eligible activities for the CapEx indicator as indicated in Article 8 of the Regulation are taken into account.

Calculation of the key performance indicator for operating expenses (OpEx)

To calculate the OpEx indicator, the Viscofan Group's accounting accounts for research and development expenses, building renovation measures, short-term leasing expenses and maintenance and repairs or expenses to ensure the proper functioning of the assets have been identified. The sum of these accounts is the denominator.

For the numerator, the breakdown of the accounts by Cost Centre has been extracted by analysing the nature of the expenditure in order to identify whether it is associated with an eligible activity as indicated in Article 8 of the Regulation.

Main changes in the current year compared to the previous year

The turnover of eligible and non-aligned activities amounted to €152.4 million in 2024 (12.7% of the Group's total turnover) and corresponds to the sales of cogeneration electricity in Spain and the sales of casings, films and bags through the treatment of plastic polymers. They are lower than in 2023 (15.4%) due to lower revenues from the sale of cogeneration electricity in Spain in a context of lower electricity prices in the Spanish electricity market and lower electricity production at the plant, and also due to the decrease in sales of plastic casings. In this market, the reduction in raw material costs is rapidly being passed on to market prices. The denominator figure, the total turnover of the Viscofan Group, stands at €1,204.0 million (see explanation of the variation in the analysis of the financial evolution of the consolidated management report).

The CapEx of eligible and non-aligned activities stands at €11.3 million (14.6% of the Group's total CapEx) and corresponds mainly to investments in the manufacturing of casings, films and bags through the treatment of plastic polymers in different Group production plants and, to a lesser extent, to the investment in the cogeneration plant in Cáseda (Spain). The indicator goes up compared to the previous year (9.2%) due to the increase in capacity of one of the families of plastic products, as well as investments in optimisation of cogeneration engines at the Cáseda plant (Spain).

The OpEx of eligible and non-aligned activities is €3.9 million euros (10.0% of the Group's total OpEx) compared to 11.2% in the previous year due to a greater relevance of OpEx in other non-eligible activities.

Economic indicators

This section includes the indicators by economic activity in relation to their eligibility and alignment with the Taxonomy of Sustainable Finance. They have been presented following the templates included in Commission Delegated Regulation (EU) 2021/2178, of 6 July 2021, modified by Commission Delegated Regulation (EU) 2023/2486, of 27 June 2023:

Turnover

In million €	2024			Criteria for substantial contribution						Criteria for "do no significant harm"									
Economic activities	ID	Absolute business turnover	Proportion of turnover	Mitigation of climate change	Climate change adaptation	Water and marine resources	Circular economy	Contamination	Biodiversity and ecosystems	Mitigation of climate change	Climate change adaptation	Sustainability and protection of the water and marine resources	Transition to circular economy	Pollution prevention and control	Protection and restoration of biodiversity and ecosystems	Minimum guarantees	Proportion of turnover that conforms to the taxonomy. 2023	Category. Facilitating activity	Category. Transition activity
Row legend		€	%	S; N; N/ EL	S; N; N/ EL	S; N; N/ EL	S; N; N/ EL	S; N; N/ EL	S; N; N/ EL	S/N	S/N	S/N	S/ N	S/N	S/N	S/N	%	F	T
ELIGIBLE ACCORDING TO																			
A.1 Environmentally sustainable activities (conforming to the taxonomy)																			
Turnover of environmentally sustainable activities (that conform to the taxonomy) (A.1)		0	—%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.								—%		
A.2 Activities eligible according to the taxonomy but not environmentally sustainable (activities that do not conform to the taxonomy)																			
Row legend		€	%	EL; N/ EL	EL; N/ EL	EL; N/ EL	EL; N/ EL	EL; N/ EL	EL; N/ EL										
High-efficiency cogeneration of heat/cooling and electricity from fossil fuels	CCM. 4.30.	51.2	4.3%	EL	EL	N/EL	N/EL	N/EL	N/EL	Not applicable						6.5%			
Manufacture of plastic packaging	CE. 1.1	101.2	8.4%	N/EL	N/EL	N/EL	EL	N/EL	N/EL	Not applicable						8.9%			
Turnover of activities eligible according to taxonomy but not environmentally sustainable (activities that do not conform to the taxonomy) (A.2)		152.4	12.7%	4.3%	n.a.	n.a.	8.4%	n.a.	n.a.							15.4%			
Turnover of eligible activities according to the taxonomy (A.1 + A.2)		152.4	12.7%	4.3%	n.a.	n.a.	8.4%	n.a.	n.a.							15.4%			
B. INELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY																			
Turnover from activities not eligible according to taxonomy		1,051.6	87.3%																
TOTAL		1.204.0	100.0%																

Legend:

Y: YES; N: No; EL: Eligible; N/EL: Not eligible; F: Facilitator; T: Transition

CCM: Climate change mitigation; CE: Circular economy

CapEx. Investments in intangible assets, property, plant and equipment and right-of-use assets

In million €	2024			Criteria for substantial contribution						Criteria for "do no significant harm"									
Economic activities	ID	CapEx	Proportion of CapEx	Mitigation of climate change	Water and marine resources	Recursos hídricos y marinos	Circular economy	Contaminación	Biodiversidad y ecosistemas	Mitigación del cambio climático	Adaptación al cambio climático	Sostenibilidad y protección del agua y recursos marinos	Transición a economía circular	Prevención y control de la contaminación	Protección y restauración de la biodiversidad y los ecosistemas	Garantías mínimas	Proporción del CapEx ajusta a la taxonomía. 2023	Categoría. Actividad facilitadora	Categoría. Actividad de transición
Leyenda fila		€	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/ N	Y/ N	Y/ N	Y/ N	Y/ N	Y/ N	Y/ N	%	F	T
A. ACTIVITIES ELIGIBLE ACCORDING TO TAXONOMY																			
A.1 Environmentally sustainable activities (conforming to the taxonomy)																			
CapEx of environmentally sustainable activities (that conform to the taxonomy) (A.1)		0.0	—%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.								—%		
A.2 Activities eligible according to the taxonomy but not environmentally sustainable (activities that do not conform to the taxonomy)																			
Row legend		€	%	EL; N/ EL	EL; N/ EL	EL; N/ EL	EL; N/ EL	EL; N/ EL	EL; N/ EL										
High-efficiency cogeneration of heat/cooling and electricity from fossil fuels	CCM. 4.30.	2.2	2.8%	EL	EL	N/EL	N/EL	N/EL	N/EL	Not applicable						0.4%			
Manufacture of plastic packaging	CE. 1.1	9.1	11.7%	N/EL	N/EL	N/EL	EL	N/EL	N/EL	Not applicable						8.8%			
CapEx of activities eligible according to taxonomy but not environmentally sustainable (activities that do not conform to the taxonomy) (A.2)		11.3	14.6%	2.8%	n.a.	n.a.	11.7%	n.a.	n.a.							9.2%			
CapEx of eligible activities according to the taxonomy (A.1 + A.2)		11.3	14.6%	2.8%	n.a.	n.a.	11.7%	n.a.	n.a.							9.2%			
B. INELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY																			
CapEx of ineligible activities according to taxonomy		66.0	85.4%																
TOTAL		77.3	100.0%																

OpEx

In million €	2024			Criteria for substantial contribution						Criteria for "do no" significant harm"									
Economic activities	ID	OpEx	Proportion of OpEx	Mitigation of climate change	Climate change adaptation	Water and marine resources	Circular economy	Contamination	Biodiversity and ecosystems	Mitigation of climate change	Climate change adaptation	Sustainability and protection of the water and marine resources	Transition to circular economy	Pollution prevention and control	Protection and restoration of biodiversity and ecosystems	Minimum guarantees	Proportion of OpEx that conforms to the taxonomy. 2023	Category. Facilitating activity	Category. Transition activity
Row legend		€	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	F	T
A. ACTIVITIES ELIGIBLE ACCORDING TO TAXONOMY																			
A.1 Environmentally sustainable activities (conforming to the taxonomy)																			
OpEx of environmentally sustainable activities (that conform to the taxonomy) (A.1)		0.0	—%	—%	n.a.	n.a.	n.a.	n.a.	n.a.								—%		
A.2 Activities eligible according to the taxonomy but not environmentally sustainable (activities that do not conform to the taxonomy)																			
Row legend		€	%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
High-efficiency cogeneration of heat/cooling and electricity from fossil fuels	CCM. 4.30.	2.2	5.6%	EL	EL	N/EL	N/EL	N/EL	N/EL	Not applicable						7.8%			
Manufacture of plastic packaging	CE. 1.1	1.7	4.4%	N/EL	N/EL	N/EL	EL	N/EL	N/EL	Not applicable						3.4%			
OpEx of activities eligible according to taxonomy but not environmentally sustainable (activities that do not conform to the taxonomy) (A.2)		3.9	10.0%	5.6%	n.a.	n.a.	4.4%	n.a.	n.a.							11.2%			
OpEx of eligible activities according to the taxonomy (A.1 + A.2)		3.9	10.0%	5.6%	n.a.	n.a.	4.4%	n.a.	n.a.							11.2%			
B. INELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY																			
OpEx of ineligible activities according to taxonomy		35.4	90.0%																
TOTAL		39.3	100.0%																

Summary, scope, eligibility and adjustment by environmental objective

	Proportion of turnover/ total turnover		CapEx/Total CapEx ratio		OpEx/Total OpEx ratio	
	that complies with the taxonomy by objective	eligible according to the taxonomy by objective	that complies with the taxonomy by objective	eligible according to the taxonomy by objective	that complies with the taxonomy by objective	eligible according to the taxonomy by objective
CCM	—%	4.3%	—%	2.8%	—%	5.6%
CCA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
WTR	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
CE	—%	8.4%	—%	11.7%	—%	4.4%
PPC	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
BIO	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Legend:

CCM: Climate change mitigation; CCA: Climate change adaptation; WTR: Water and marine resources; CE: Circular economy; PPC: Pollution prevention and control; BIO: Biodiversity and ecosystems.



Information about activities related to fossil gas

This information responds to the reporting requirements of Delegated Regulation (EU) 2022/1214 of 9 March 2022 for

the key performance indicators applicable to activities related to fossil gas. In particular for Viscofan, the cogeneration activity referred to in section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139. Viscofan has no activities related to nuclear energy.

Row	Nuclear-related activities	Revenue	CapEx	OpEx
1	The company conducts, finances or has exposures to the research, development, demonstration and deployment of innovative power generation facilities that produce energy from nuclear processes with minimal fuel cycle waste.	No	No	No
2	The company conducts, finances or has exposures to the construction and safe operation of new nuclear facilities to produce electricity or process heat, including for district heating purposes or industrial processes such as hydrogen production, as well as their safety improvements, using the best available technologies.	No	No	No
3	The company conducts, finances or has exposures to the safe operation of existing nuclear facilities that produce electricity or process heat, including for district heating purposes or industrial processes such as the production of hydrogen from nuclear energy, as well as their safety improvements.	No	No	No
Row	Fossil gas activities	Revenue	CapEx	OpEx
4	The company carries out, finances or has exposures to the construction or operation of electricity generation facilities that produce electricity from gaseous fossil fuels.	No	No	No
5	The company carries out, finances or has exposures to the construction, renovation and operation of combined heat/cold and power generation facilities using gaseous fossil fuels.	Yes	Yes	Yes
6	The company carries out, finances or has exposures to the construction, renovation and operation of heat generation facilities producing heat/cooling from gaseous fossil fuels.	No	No	No



Template 2 Economic activities that conform to the taxonomy (denominator)

Row	Activities related to fossil gas	CCM + CCA						Climate change mitigation (CCM)						Climate change adaptation (CCA)					
		Revenue	%	CapEx	%	OpEx	%	Revenue	%	CapEx	%	OpEx	%	Revenue	%	CapEx	%	OpEx	%
5	Amount and proportion of the economic activity that complies with the taxonomy referred to in section 4.30 of Annexes I and II of the Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0	—%	0.0	—%	0.0	—%	0.0	—%	0.0	—%	0.0	—%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
7	Amount and share of other economic activities conforming to the taxonomy not mentioned in rows 1 to 6 in the denominator of the applicable KPI	0.0	—%	0.0	—%	0.0	—%	0.0	—%	0.0	—%	0.0	—%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
8	Applicable KPI total	1,204.0	100%	77.3	100%	39.3	100%	1,204.0	100%	77.3	100%	39.3	100%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Template 3 Economic activities that conform to the taxonomy (numerator)

Row	Activities related to fossil gas	CCM + CCA						Climate change mitigation (CCM)						Climate change adaptation (CCA)					
		Revenue	%	CapEx	%	OpEx	%	Revenue	%	CapEx	%	OpEx	%	Revenue	%	CapEx	%	OpEx	%
5	Amount and proportion of the economic activity that complies with the taxonomy referred to in section 4.30 of Annexes I and II of the Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.0	—%	0.0	—%	0.0	—%	0.0	—%	0.0	—%	0.0	—%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
7	Amount and proportion of other economic activities that conform to the taxonomy and are not referred to in rows 1 to 6 above in the numerator of the applicable KPI	0.0	—%	0.0	—%	0.0	—%	0.0	—%	0.0	—%	0.0	—%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
8	Total amount and share of economic activities that conform to the taxonomy in the numerator of the applicable KPI	0.0	—%	0.0	—%	0.0	—%	0.0	—%	0.0	—%	0.0	—%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Template 4 Economic activities eligible according to the taxonomy but which do not conform to the taxonomy

Row	Activities related to fossil gas	CCM + CCA						Climate change mitigation (CCM)						Climate change adaptation (CCA)					
		Revenue	%	CapEx	%	OpEx	%	Revenue	%	CapEx	%	OpEx	%	Revenue	%	CapEx	%	OpEx	%
5	Amount and proportion of economic activity eligible according to the taxonomy but not conforming to the taxonomy referred to in section 4.30 of Annexes I and II of the Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	51.2	100%	2.2	100%	2.2	100%	51.2	100%	2.2	100%	2.2	100%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
7	Amount and share of other economic activities eligible according to the taxonomy but not conforming to the taxonomy not mentioned in rows 1 to 6 above in the denominator of the applicable KPI	0.0	—%	0.0	—%	0.0	—%	0.0	—%	0.0	—%	0.0	—%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
8	Amount and proportion of economic activities eligible according to the taxonomy but not conforming to the taxonomy in the denominator of the applicable KPI	51.2	100%	2.2	100%	2.2	100%	51.2	100%	2.2	100%	2.2	100%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Template 5 Ineligible economic activities according to the taxonomy

Row	Activities related to fossil gas	CCM + CCA						Mitigación al cambio climático (CCM)						Climate change adaptation (CCA)					
		Revenue	%	CapEx	%	OpEx	%	Revenue	%	CapEx	%	OpEx	%	Revenue	%	CapEx	%	OpEx	%
5	Amount and proportion of the economic activity referred to in row 5 of Template 1 that is not eligible under the taxonomy according to section 4.30 of Annexes I and II of the Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0	—%	0.0	—%	0.0	—%	0.0	—%	0.0	—%	0.0	—%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
7	Amount and share of other non-taxonomy eligible economic activities not mentioned in rows 1 to 6 above in the denominator of the applicable KPI	1,152.8	100%	75.1	100%	37.1	100%	1,152.8	100%	75.1	100%	37.1	100%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
8	Total amount and share of non-taxonomy-eligible economic activities in the denominator of the applicable KPI	1,152.8	100%	75.1	100%	37.1	100%	1,152.8	100%	75.1	100%	37.1	100%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

3

Social Information



3.1. ESRS S1. Own workforce

People are the differential value on which the future of Viscofan is built. Over 5,100 employees in 22 countries constitute an extraordinary human wealth. People management is key to achieving our goals and that is why we want to attract and develop the best team in the industry.

Current and potential impacts, risks and opportunities

Positive

- Increased knowledge, continuous improvement and productivity
- Skills development, diversity and professional talent.
- Long-term loyalty and commitment
- Social protection, economic stability and personal balance

Negative

- Illnesses and accidents in the workplace
- Inadequate working conditions and pay structures
- Failure to comply with working conditions
- Deterioration of the work environment, labour conflicts

Policies and commitments

- People Management Policy
- Policy of Respect for Human Rights.
- Occupational Health and Safety Policy.
- Equal Opportunity, Diversity, Inclusion and Harassment Prevention Policy
- Policy on Selection and Recruitment.
- Knowledge Management Policy.

Sustainability objectives

- Target of a 50% reduction in the Group's accident severity rate by 2030 compared to 2018 levels
- Target of 30% of management positions held by women by 2030

Governance

- Board of Directors. Appointments, Remuneration and Sustainability Committee, Audit Committee
- Executive Sustainability Committee
- CEO
- Human Resources Department
- Operational Sustainability Department

3.1.1. Strategy

Material impacts, risks and opportunities and their interaction with strategy and business model

ESRS 2 SBM-3

Viscofan is made up of a large team of professionals in 22 countries where the company is present, reflecting its marked international character. A multicultural, competitive, qualified team in constant training, which shares solid values and ethical principles, despite having different cultures. In short, a rich and complex multicultural environment, which is both a challenge and an opportunity for the international development for all employees. The success of Viscofan's business model lies largely in the people who, in their different functions, contribute to the transformation of raw materials into value-added goods and services.

This is a team of in-house staff made up of salaried and non-salaried people for whom the policies of people management and the defence of human rights described below are applicable.

Following on from this, Viscofan's transformative activity has a markedly industrial character, which depends on a continuous, complex production process, involving chemical, mechanical, energy-intensive processes, which are very sensitive to changes, in which automation is not complete and the intervention and supervision of people is necessary to ensure a safe process that guarantees the standards of suitability and quality of the products for customers.

At the same time, casings is a global market, both from a geographical point of view and in terms of product offer, a very competitive market in constant growth and innovation and it is essential that people have extensive knowledge, capacity for innovation, resolution and the ability to work in a team.

With these conditions, the wage cost represents a significant impact on production inputs and on the profitability of the company, making it necessary to strike an adequate balance between competitiveness and personal and professional development of people.

Based on these premises, the main incidents detected in the company's own workforce are described below. It should be noted that no incidents have been identified on the company's own workforce derived from the Net Zero transition plan described in ESRS E1.

Based on the materiality analysis carried out, which includes an understanding of the characteristics of the company's own workforce, the IROs identified correspond to all Viscofan staff and not to specific groups of people.

Positive

Increased knowledge, continuous improvement and productivity

Through knowledge, the company is able to carry out the business activity that the market demands and values. A technical knowledge that allows us to comply with product standards, competitive advantages, trends, etc. In particular, the casing market depends, to a large extent, on proprietary knowledge and the ability to update and improve. So the development of the knowledge of the company's own workforce provides greater productivity and value creation.

Long-term loyalty and commitment

In a business model where people have a great relevance in the contribution of value, greater long-term loyalty and commitment results in initiatives aimed at improving business activity over a time horizon in line with the company's own horizon. Likewise, in a global and changing environment, the demands on the company's own workforce vary, as well as the need to adapt to them. This adaptation is better the greater the loyalty and commitment. Furthermore, the need for labour, the costs of investment in knowledge and training and the organisation of work itself constitute a complex process in a continuous 24-hour productive activity. With this, greater long-term loyalty and commitment reduce labour costs, increase security, retain talent and increase performance.

Development of skills, diversity, and professional talent

Teamwork, training, skills development and professional experience are generated in people who, through work experience, Viscofan provides with an intangible asset that enables them to develop new activities and face new challenges both within the company and in other activities.

Social protection, economic stability and personal balance

A competitively paid job gives those who work personal autonomy to be able to satisfy their needs, create wealth, have economic stability for their projects and not only benefits from the material and economic point of view, but also facilitates insertion into society, interaction with people, the creation of emotional bonds, etc. it improves self-esteem and helps mental stability.

Negative

Illnesses and accidents in the workplace

In productive activity there is the possibility that the company's own workforce may suffer some kind of harm, including injuries, illnesses or pathologies suffered as a result of or during work. Viscofan's health and safety management system focuses on identifying and mitigating risks based on the areas of greatest danger within production plants and in auxiliary areas. By identifying and managing risks at the area level, we can ensure that all critical areas are adequately protected, thus reducing the likelihood of workplace accidents.

Inadequate working conditions and remuneration structures

A high workload, both physically and mentally or insufficient compensation in terms of economic and social benefits for the company's own workforce can lead to high turnover and loss of talent and therefore not having the right people for value creation.

Viscofan has a labour presence in 22 countries, each with a different set of labour laws. However, in relation to the systemic risks of forced labour or child labour that may arise from having manufacturing plants in countries outside the EU, the elimination of all forms of forced or compulsory labour, as well as the elimination of child labour, is stipulated as a principle relating to fundamental rights, above the legislation or practices that may occur in the countries in which it operates.

Failure to comply with working conditions

The company entrusts the management of its tangible and intangible assets to its own workforce to carry out work that helps to create value in the business activity. Improper use of these resources, disclosure of secrets, inappropriate behaviour, harassment or breach of employment contracts can result in economic, reputational and criminal costs for the organisation.

Deterioration of the work environment, labour conflicts

Viscofan's business activity requires a large team, currently more than five thousand people work in different locations within the Viscofan group, interacting socially and carrying out both formal and informal collaboration agreements.

The deterioration of the working environment hinders teamwork, coordination, the development of collective talent and productivity, which in some cases can lead to labour disputes aimed at changing working conditions and the relationship between the company and its own workforce, putting productive, service or management activity at risk, which can result in economic and reputational costs.

Casings is a global market, both from a geographical point of view and in terms of product offer, a very competitive market in constant growth and innovation

Viscofan has a labour presence in

22 countries

3.1.2. Incident, risk and opportunity management

Policies related to own workforce

ESRS S1-1, ESRS 2 MDR-P

Viscofan has policies that address the evaluation, management or remediation of incidents of relative importance related to its own workforce. Firstly, the people management policy establishes a basis that defines, designs and disseminates a people management model that attracts, develops and retains talent, as well as promoting the physical and mental well-being of the human team through their personal and professional growth and guaranteeing them a decent job.

This policy sets out the following specific principles in the following areas

- In relation to equality, diversity and inclusion
- With the selection and hiring of professionals
- Talent management and promotion and training
- Performance and development evaluations
- The remuneration system
- Work-life balance
- Regarding private life and digital disconnection
- Global occupational health and safety system
- Welfare
- Work ethics
- Corporate volunteering

In addition, the people management policy articulates specific policies that address in more detail incidents, risks and opportunities of relative importance related to its own workforce:

- Occupational health and safety policy: To promote the permanent improvement of health, safety and well-being conditions in the workplace of all the Group's employees.

- Equal opportunity, diversity, inclusion and harassment prevention policy: It seeks to create an inclusive and respectful work environment, with equal opportunities, and ensuring that all people are treated fairly, regardless of gender, race, age, disability, sexual orientation, religion or any other personal characteristic. In addition, the policy sets out clear procedures to prevent and address harassment in all its forms.
- Talent Acquisition Policy: The aim is to attract, select and retain the best talent in order to incorporate professionals with the competencies, knowledge, skills and behaviours reflected in the Code of Conduct.
- Knowledge Management Policy: Disseminate and share existing knowledge within the Group and promote continuous learning and training and its exchange, so as to increase operational efficiency through the appropriate use of intellectual capital and to promote initiatives, procedures and tools that allow for a real and effective use of this intellectual capital, always acting in the interest of the Group.

All these policies have been approved by the Board of Directors and are available on the Viscofan website, in the Corporate Governance - Regulations and Policies section and on the corporate intranet.

In addition, Viscofan has a Policy of Respect for Human Rights. It adopts the basic principles of respect for internationally recognised human rights, mainly contained in:

- The 10 principles of the United Nations Global Compact,
- The European Human Rights Convention.
- The United Nations Convention on the Rights of the Child.
- The Guiding Principles on Business and Human Rights: implementation of the United Nations framework to "protect, respect and remedy".

- The OECD Guidelines for Multinational Enterprises.
- The Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy.
- The social policy of the International Labour Organization, as well as the documents or texts that may replace or complement those referred to above.

The policy of respect for human rights formalises the Viscofan Group's commitment to defending, promoting and respecting human rights in the development of its business activities and in particular labour activities:

- Prohibition of forced labour.
- Prohibition of child labour.
- Elimination of discrimination in the workplace.
- Respect for freedom of association and collective bargaining.
- Elimination and prevention of harassment and violence.
- Compliance with working conditions.
- Promotion of occupational health and safety.

Among its essential aspects, transparency and dialogue is a fundamental principle that inspires the Company's actions and, based on the Viscofan policy, promotes communication channels and relations with the different stakeholders that interact with the Group, so that it can respond to their needs and expectations and promote the creation of shared value.

Likewise, the Policy of Respect for Human Rights establishes different guidelines for action that include:

- The identification, within the risk control systems, of the potential human rights impacts that the Group's activities may generate, the development of mechanisms for the prevention and mitigation of such risk and, ultimately, reparation of the impacts in the event that they materialise. In this regard, the appropriate measures must be adopted as soon as possible in the event of detecting a violation of human rights in the facilities, centres or places where the companies of the Group or its business partners carry out their activities and inform the competent public authorities of this in the terms derived from the applicable regulations in this regard.

- Adopt the appropriate measures in the event of detecting a violation of human rights at the Group's facilities or those of its suppliers, and inform the competent public authorities so that they may take the appropriate action when such violation may constitute an administrative or criminal offence.
- Have mechanisms for complaints and claims to deal with potential cases of human rights violations.

Policy scope

These policies apply to the company and its group and are binding on all its personnel, regardless of the position and function they perform.

The company will promote the application of the principles and bases to any natural and/or legal person linked to the companies of the group by a relationship other than employment when this is possible and convenient in such a way that they follow principles and guidelines consistent with those established.

The company may develop procedures and instructions to implement and comply with the obligations assumed, as well as to adapt it to the various local laws applicable to the companies of the group.

Monitoring and supervision:

The monitoring of the policy is the responsibility of the Board of Directors, which will exercise it through the supervision by the Appointments, Remuneration and Sustainability Committee of the development and implementation of sustainability policies and strategies and by the Audit Committee in terms of the integrity of the non-financial information that is included in the management report, as well as in the supervision of non-financial risks arising from the Group's actions. The Group also has a Sustainability Committee, whose tasks include promoting sustainability plans and programmes in the development of policies, and an Ethics and Compliance Committee, reporting to the Audit Committee, which, in addition to ensuring compliance with the Code of Conduct, manages the ethics channel that allows employees and other persons related to the Company to report any breaches that may occur. Finally, the Corporate Human Resources Department, and the different Human Resources departments and functions deployed in the various subsidiaries of the group are responsible for ensuring and applying the policies in the daily management of Viscofan's own workforce.

Processes for engaging with own workforce and workers' representatives about impacts

ESRS S1-2

The company maintains various channels of dialogue and communication with the professionals of the Group's companies, including regular meetings with workers' representatives, especially in those subsidiaries where the size of the workforce makes this advisable, specific committees with professionals on matters of special relevance for the company and its own workforce, work climate surveys, presentations with members of senior management, specific meetings, and notifications on the Group's intranet.

These channels of communication serve to ensure that the perspectives of its own workforce can be taken into account in decisions or activities aimed at managing actual and potential incidents.

Meetings with professionals or workers' representatives, which are generally held at least once a year, may or may not be held periodically, depending on the circumstances, the legislation in force, and the agreements between the company and the workers' representatives. In this way, collective agreements or specific agreements can be established to regulate and monitor aspects related to human resources management. In meetings with workers' representatives, there is at least one company representative appointed by senior management.

The policy of respect for human rights is applicable to the entire Viscofan Group and binds all its staff. Furthermore, in the implementation of the principles of this policy, the companies of the Group shall collaborate constructively with those interest groups or stakeholders that may affect or be affected by the Group's activity in order to establish channels of communication, consultation and contacts that contribute to the best performance of the Group and its business partners in the field of human rights. On this basis, the principles set out in the policy provide a comprehensive framework with employee representatives in relation to respect for human rights.

In addition, the Group promotes the conduct of multi-annual global opinion surveys (Viscofan Opinion Survey) to assess the working environment in the different subsidiaries in the countries where it operates. The last one was carried out in 2022 and had a response rate of 68%. All the surveys and observations were recorded and grouped into different categories, making it possible to assess how the members of its own workforce know and trust these structures and processes that Viscofan has as a way of raising their concerns or needs and responding to them.

Viscofan believes that the effectiveness of the collaboration is reflected in the increase in people's participation in the opinion survey, where key aspects that require improvement are identified and integrated into the human resources management strategy for the coming years. These aspects include professional development, improving working conditions and strengthening organisational culture. However, Viscofan does not have a formal system to evaluate the effectiveness of this channel or communication with workers' representatives.

In 2024, it carried out a climate survey on the perception of safety in the subsidiaries in Spain, the Czech Republic, Belgium and Serbia, with the aim of determining whether the safety culture in the company is adequate and implementing the necessary improvement or corrective measures.

The participation of workers in health and safety matters is guaranteed in all plants through health and safety committees -in which the company's actions in the field of risk prevention are regularly consulted-, suggestion boxes, as well as other established communication channels.

The resources used in the processes for engaging with the company's own workforce and its workers are mainly human. In the case of regular meetings with workers' representatives, these are mainly carried out by staff at the local locations where they take place, especially in the human resources department, being one of the tasks incorporated in their position. Meanwhile, the climate survey on the perception of safety has been coordinated by the corporate operational sustainability department, in collaboration with communication and corporate IT and by extension by the local health and safety departments of the implementations where it has been carried out.

The global opinion survey, at the internal level, is coordinated by the corporate human resources department, in collaboration with corporate communication and IT and by extension the local human resources departments. Externally, there is the collaboration of a third party that guarantees the platform, reliability and confidentiality.

Finally, no impacts on the company's own workforce have been identified that may result from the reduction of carbon emissions and the transition to greener and climate-neutral operations and therefore, there is no collaboration with the members of its own workforce or workers' representatives in this regard.

Processes to remediate negative impacts and channels for own workers to raise concerns

ESRS S1-3

The Viscofan Group has an organisational structure that has different channels for repairing negative incidents.

The department in charge of monitoring the protocols and the execution of the processes to repair general negative incidents related to its own workforce is human resources.

In the event that the negative impact is related to health and safety, Viscofan has safety managers who must ensure that corrective or improvement measures are implemented in this area, with the operational sustainability department monitoring the implementation of these measures. Additionally, when necessary with the human resources department, operations or general management depending on the circumstances.

Furthermore, Viscofan has a whistleblowing channel called the Ethical Channel. Integrity Line, which is a tool for employees and stakeholders to report breaches, crimes or unethical behaviour that may jeopardise the reputation or civil or criminal administrative liability of the Viscofan Group.

See detailed description of it in ESRS G1 point 4.1.2.

The Ethics and Compliance Committee is the body responsible for commencing, on its own account or at the request of a third party, an investigation on events or practices that may give rise to a situation of risk for the Viscofan Group as a result of a breach of the Viscofan Group's Code of Conduct or prevailing regulations.

At the conclusion of an investigation, the Ethics and Compliance Committee will, among other things, have the following as its objectives:

- Seek redress and assistance to those who may have been affected by non-compliance or irregularities, especially for non-compliance or irregularities of criminal relevance.
- Identify possible improvements in the implementation of the Ethics and Compliance System so that new measures can be put in place that would have prevented risks from materialising.
- Provide support to the Group's companies and monitor the implementation of the recommendations to ensure the improvements identified.

- Conduct global monitoring of cases. The information sent to the Ethics Committee throughout the company on possible infringements is recorded for a unified monitoring to identify trends and areas for improvement in the Viscofan Group's Compliance System.

Viscofan supervises compliance with the various policies of action in the field of people of its own workforce through different control bodies responsible for detecting possible non-compliance, as well as implementing the relevant corrective measures in each case. See section 3.1.2. of this ESRS where the policies and bodies in charge of management are detailed.

Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

ESRS S1-4, ESRS 2 MDR-A

Actions taken, ongoing or planned to prevent, mitigate and remedy negative impacts and achieve positive impacts, as well as to address risks and seize opportunities are managed at a general level by the Corporate Human Resources Department, which manages annually and in the longer term within the framework of the Beyond25 Strategy the main initiatives that are implemented by extension in the different locations of the Group where applicable, e.g. the Annual Training Plan.

However, in the case of the incidence of illnesses and accidents in the workplace, the Corporate Operational Sustainability Department is responsible for defining the action plan to be carried out to prevent, mitigate and repair incidents of this type within the framework of the health and safety management system. See Health and safety metrics sub-section of this ESRS.

The main actions for each IRO of relative importance are detailed below:

Illnesses and accidents in the workplace

- The company has safety managers in all manufacturing centres.
- The company has a corporate security manager.
- A survey of the safety prevention climate has been carried out in European subsidiaries that must provide a diagnosis on which to act.

- Training has been provided, specific campaigns on safety have been conducted, and work procedures with a focus on safety have been implemented and formalised.
- An accident control and reporting tool has been installed, not only at the level of those directly responsible, but also at senior management level.
- Periodic monitoring in all monthly steering committees on safety indicators.
- Investments have been made, notably at the Danville plant to bring it up to ISO standards; modifications have also been made to machines and installations, especially in converting, with the aim of improving their safety level or eliminating non-conformities; and investments have been made to improve fire protection.
- Compensation has been paid in cases where it has been justified with the objective of providing or enabling redress in relation to the consequences of accidents.

Overall, in 2024 Viscofan has identified relevant projects with a CapEx of €4.3 million in the area of occupational health and safety. The investments have been identified in the list of additions to property, plant and equipment and intangible assets of the Viscofan Group (see notes 5 and 6 to the consolidated financial statements). These investments have been financed with the cash generation of the business, although Viscofan has financing with sustainable criteria that, although not particularly assigned to the aforementioned projects, contributes to the sustainable performance of Viscofan, framed in the Sustainability Action Plan.

The effectiveness of these measures has led to an improvement in the accident rate indicators compared to the start of the Sustainability Action Plan, even exceeding the targets initially set.

Inadequate working conditions and remuneration structures

Collective bargaining agreements are in force for 62% of the company's own workforce, which ensure adequate working conditions and pay structures.

In addition, a detailed assessment of the jobs has been carried out during the year, with a focus on the pay gap and preparing for adaptation to the remuneration transparency regulations that are expected to come into force in 2026. This action has first begun at the corporate level and will be subsequently extended to the rest of the subsidiaries and the implementation of a Remuneration Policy for the Group is also planned.

As part of its annual work plan, the Internal Audit area supervises the corporate Human Resources procedures, which include, among other aspects, those related to working conditions.

The effectiveness of these measures is reflected in the reduction in the number of voluntary sick leave during the year, which is in line with the industrial sector.

Failure to comply with working conditions

The company's own workforce have clear contracts defining the main rights and obligations of the contractual relationship. Training on labour regulations has been carried out.

Controls on intellectual property and know-how risks have been strengthened.

As an indication of the effectiveness of these measures in the current year there has been no significant impact due to non-compliance with working conditions.

Deterioration of the work environment, labour conflicts

In 2022, a work climate survey was carried out, the analysis of which led to the human resources action plan with initiatives to improve the commitment of the people who work at Viscofan. A new Group-wide work climate survey is being considered and planned within 1-2 years to provide a more up-to-date picture.

In addition, a safety perception climate survey was conducted in the subsidiaries in Spain, the Czech Republic, Belgium and Serbia in the 2024 financial year to determine whether the security culture in the company is adequate and to implement the necessary improvement or corrective measures.

This exercise has seen production adjustments to adapt to the company's demand and inventory levels. These production adjustments have led to temporary layoffs in some manufacturing centers (Germany and Belgium) and wage restraint measures that have not led to significant labor disputes.

As proof of the effectiveness of these measures, no strikes have been recorded in the Viscofan Group's plants this year.

Knowledge enhancement, continuous improvement, and productivity; and Development of skills, diversity, and professional talent

We promote the personal and professional development of people through different initiatives that allow knowledge management and use of employees' skills to achieve the Group's objectives.

Following on from this, continuous training is one of Viscofan's main objectives in terms of people management, promoting personal and professional development with its own training as well as that of third parties, with consultancy projects and training in continuous improvement.

Viscofan has a specific training channel called Viscoacademy integrated into the corporate intranet so that all the Group's training is hosted on a single platform, thus promoting knowledge sharing.

Within the financial year's training and skills building activities, it is worth highlighting those focused on the strategic continuous improvement project (Kaizen), and on improving safety awareness aimed at both the personnel directly in charge of this matter and other factory personnel, among others.

For all this commitment to training human capital, the group has earmarked €1.1 million in 2024 (€1.3 million in 2023), of which €0.26 million (€0.26 million in 2023) for specific training and awareness in the area of health and safety.

The detail of training hours for 2024 and the previous year is as follows:

Training	2024			2023		
	Men	Women	Total	Men	Women	Total
Number of hours	48,614	21,990	70,604	55,817	25,984	81,801
Average number of hours per employee	13.2	14.8	13.7	14.7	16.8	15.3
% of employees who have received training	90.0%	90.7%	90.2%	93.2%	92.7%	93.0%

In parallel, Viscofan promotes global team meetings by corporate functions to share knowledge and strategic and action lines, as well as the creation and meeting of triangular multi-departmental teams for project management.

In particular, at the level of skills and talent development, work has been done on the succession plan and efforts have been made to ensure equal opportunities and working conditions by making job offers accessible internally.

Overall, measuring the effectiveness of these initiatives is complex due to the subjective nature of the elements involved, such as personal development and job satisfaction. While we use a variety of metrics and assessments, we recognise that individual perception plays a key role.

Long-term loyalty and commitment

During the year, Viscofan has carried out communication campaigns on the Group's corporate purpose and values.

A staff engagement strategy called "Viscofan Discovery" has been implemented to introduce people in the organisation to what we do in Viscofan at regional (APAC) and divisional (New Business) level.

In addition, in 2024, recognition of the commitment of people who have been working for the Group for a certain period of time has been encouraged.

The effectiveness of these measures is reflected in the predominance of permanent contracts in the workforce.

Social protection, economic stability and personal balance

Recruitment processes have sought to prioritise job stability as far as possible, a strategy that has resulted in an increase in the number of permanent positions.

3.1.3. Metrics and targets

Targets related to managing material adverse impacts, driving positive impacts and managing material risks and opportunities

ESRS S1-5, ESRS 2 MDR-T and MDR-M

Within the scope of its own workforce and set out in the Sustainability Action Plan, Viscofan has the following targets:

Safety. Reduction of severity index

Based on the objective established in the Occupational Health and Safety Policy to prevent accidents, injuries and deterioration of health, thus minimising the impact of the negative incidence of accidents in the working environment, Viscofan has set itself the target of reducing the severity rate by 50%, calculated as the number of equivalent working days lost per accident per thousand hours worked, in 2030 compared to 2018.

Base 100 year 2018	2030 Commitment	2024	2023	2022	2021	2020	2019	2018
Severity Index	50	28	35	62	48	63	83	100

By setting this target, Viscofan has been able to promote specific safety awareness projects, invest in protection and ergonomics, and improve and standardise plant safety systems. This has resulted in Viscofan meeting its 2030 target by 2024. However, in order to continue to manage and minimise the incidence of accidents, the Executive Sustainability Committee is studying the establishment of an even more ambitious target.

In addition, as proof of this commitment, the long-term variable remuneration plan for Viscofan's senior management and key personnel includes an intermediate target to reduce the severity rate.

This target has been set by the Executive Sustainability Committee and approved by the Board of Directors within the framework of the Viscofan Group's Sustainability Action Plan. There has been no engagement with the company's own workforce or workers' representatives to set this target.

The definition of the target was based on the 2018 financial year with a severity index of 0.52, as this is the reference year used for the different sustainability targets and from which the first Viscofan Sustainability Action Plan is established, to be reduced to 0.26 in 2030, in line with the United Nations Sustainable Development Goals. There are no intermediate milestones and the scope of the target is for all Viscofan Group locations.

The Executive Sustainability Committee monitors performance against this target on a quarterly basis, identifying catalysts for variances. This Committee also reports regularly to the Board of Directors' Appointments, Remuneration and Sustainability Committee.

The evolution of the 100-based target for 2018 is as follows:

Diversity. Increasing the percentage of women in management positions

Based on the policy of equal opportunities, diversity, inclusion and prevention of harassment, which establishes the commitment to establish action plans that promote effective equality of the sexes, Viscofan seeks to promote the development of diversity, in particular to increase the weight of the least represented gender in the Group by setting the target of achieving 30% of the management level to be made up of women.

This target has been set by the Executive Sustainability Committee and approved by the Board of Directors within the framework of the Viscofan Group's Sustainability Action Plan. There has been no engagement with the company's own workforce or workers' representatives.

The definition of the objective was based on the 2018 financial year, a year in which the percentage of women in management positions was 15.6%, being the reference year used for the different sustainability objectives and from which the first Viscofan Sustainability Action Plan was established. The target is to increase to 30% by 2030, in line with the total percentage of women in the Group's average workforce, and with the UN Sustainable Development Goals framework year. There are no intermediate milestones and the scope of the target is for all Viscofan Group locations.

The Executive Sustainability Committee monitors performance against this target on a quarterly basis, identifying catalysts for variances. This Committee also reports regularly to the Board of Directors' Appointments, Remuneration and Sustainability Committee.

The trend in the goal is as follows:

Base 100 year 2018	2030 Commitment	2024	2023	2022	2021	2020	2019	2018
Women in management positions	30.0%	22.2%	22.4%	19.6%	17.9%	14.8%	15.4%	15.6%

By setting this target, Viscofan has been able to promote, as part of its talent management, the identification of opportunities to include the under-represented gender, both in terms of internal and external candidates, in those positions that are expected to become available in the future as a result of vacancies, growth opportunities or succession planning. As reflected in the progress of the target, this has resulted in an increase of 6.6 percentage points in the percentage of women in management positions in 2024 compared to the base year 2018.

Characteristics of the company's employees

ESRS S1-6

Viscofan is made up of a large team of professionals in 22 countries where the company is present, reflecting its marked international character. A multicultural, competitive, qualified team in constant training, which shares solid values and ethical principles, despite having different cultures.

In total, the average workforce in 2024 was 5,163, which is 3.4% lower than the average workforce in the previous year, due to lower staffing requirements compared to the same period of the previous year. This is due to the new technology installed in the United States, the adjustment of production levels, particularly in Europe, and the measures implemented throughout the Group to optimise operations and production.

The workforce at the end of 2024 comprised 5,323 people, of whom 3,759 are men (3,761 in 2023) and 1,564 women (1,571 in 2023).

See staff breakdowns in note 19.3 of the consolidated financial statements.

Viscofan's business model has a markedly industrial character: 50% of those working at Viscofan are operators and 17% are specialised personnel. Within this industrial context, Viscofan is committed to stable quality employment, and 94% of the workforce have permanent contracts and 98% are full-time workers.

The team combines young talent and experience. The average age of the staff is 42 years. Of the total of the average workforce, 16% are people under 30 years old, 58% are between 30 and 50 years old, and 26% are over 50 years old.

Based on ESRS S1-6 the breakdowns of employees in its own workforce are obtained from local registers calculated on a corporate basis in full-time equivalent numbers, and then consolidated at the corporate level. This is the average workforce for the reference period, the 2024 financial year.

The breakdowns of information are as follows:

a. Total number of employees and breakdown by gender and country:

Number of people	2024	2023
Men	3,674	3,797
Women	1,489	1,549
Other	0	0
Not notified	0	0
Total employees	5,163	5,346
Breakdown of the average workforce by country	2024	2023
Spain	905	942
Czech Republic	597	618
Serbia	642	673
Germany	540	569
Belgium	70	72
France	14	13
United Kingdom	10	12
Russia	6	6
Italy	1	1
EMEA	2,785	2,905
China	356	368
Australia	86	86
Thailand	35	18
New Zealand	4	7
Japan	2	1
India	2	1
Philippines	1	1
APAC	486	481
EE.UU	598	622
Mexico	634	654
Canada	57	57
Costa Rica	15	14
North America	1,304	1,348
Brazil	508	526
Uruguay	80	87
South America	588	612
TOTAL	5,163	5,346

b. Total number of persons or full-time equivalent of:

- permanent employees and their breakdown by gender
- temporary employees and their breakdown by gender
- workers of non-guaranteed hours, and their breakdown by gender

Period. 2024	Man	Woman	Other	Not communicated	Total
Number of permanent employees	3,459	1,373	0	0	4,832
Number of temporary employees	215	116	0	0	331
Number of employees of non-guaranteed hours	0	0	0	0	0
Total	3,674	1,489	0	0	5,163

c. Number of employees who have left the company and the turnover rate

The number of employees who left the company in the 2024 financial year is as follows:

People	2024
Total number of employees who left the company in the reference period	1,169
Employee turnover rate	18.4%

* Includes voluntary resignations, dismissal, death or retirement as set out in point AR 59 of the ESR S1.

This ratio has been calculated using the total number of employees who have left the company as the numerator and the total number of employees who have worked in the period as the denominator.

Characteristics of non-employee workers in the company's own workforce

ESRS S1-7. Phased-in disclosure requirement

Viscofan does not report this information in this sustainability report because it is a phased-in disclosure requirement and therefore exempt from reporting in the first year of the sustainability report as per Appendix C of ESR S1.

Collective bargaining coverage and social dialogue

ESRS S1-8

As part of Viscofan's commitment to guaranteeing fair and equitable working and employment conditions for staff, there are collective agreements that clearly and in detail establish the terms and conditions of employment, including wages, working hours, benefits and labour rights as far as possible and according to the characteristics of the countries in which Viscofan is present. These agreements are the result of a negotiation process between the company and the workers' representatives, thus ensuring that the voices of our employees are heard, and their needs are met.

Thus, in the period, 62% of employees are covered by a Collective Bargaining Agreement.

In addition, continuous and constructive social dialogue with staff and their representatives is encouraged. This dialogue allows us to address any concerns or problems that may arise in the work environment in a collaborative and proactive way. Viscofan strives to maintain open and transparent communication channels, promoting the active participation of staff in decisions that affect their working conditions.

The total and detail of the average salaried workforce covered by collective bargaining agreements by country is broken down below, both within the European Economic Area (EEA) and outside it, as set out in the template in point AR.70 of ESR S1. In addition, as defined by collective agreements in EEA countries, all persons under an agreement are represented by workers' representatives:

Coverage rate	Coverage of collective bargaining		Social dialogue
	Employees EEA (for countries with > 50 employees, representing > 10% total employees)	Employees Non-EEA (regions with > 50 employees, representing > 10% total employees)	Workplace representation (EEA only) (for countries with > 50 employees, representing > 10% total employees)
0-19%		Rest of Europe and Asia Pacific	
20-39%			
40-59%		North America	
60-79%	Germany		Germany
80-100%	Spain, Czech Republic	South America	Spain, Czech Republic

Viscofan does not have agreements with its employees for representation by a European Works Council, a Works Council of the European Company (SE) or a Works Council of the European Cooperative Society (SCE).

Diversity metrics

ESRS S1-9

For the Viscofan Group, Top management corresponds to the highest hierarchical level of the organisation, reporting directly to the Chief Executive Officer, and consists of regional general management (EMEA, APAC, NAM and SAM) which groups together the operations located in the countries belonging to that geographical region, the general management of New Business, and the general management of corporate services. Thus, the average number of senior management staff by gender is as follows:

2024		
Average workforce	Men	Women
Top management	14	2
Percentage	87.5%	12.5%

See details of Top management in note 22.2. to the consolidated financial statements.

In addition, based on the management and establishment of the policy of equal opportunities, diversity, inclusion and prevention of harassment, Viscofan is committed to establishing action plans that promote effective equality of the sexes, with the aim of increasing the weight of the under-represented gender at management level, understood as the categories of top management and managers. Thus, the breakdown of the average workforce in these categories is as follows:

2024		
Average workforce	Men	Women
Management	91	26
Percentage	77.8%	22.2%

Furthermore, the distribution of employees by age group is as follows:

Average workforce	2024
Under 30 years old	830
30 - 50 years	3,001
More than 50 years	1,332
TOTAL	5,163

Adequate wages

ESRS S1-10

The contracting policy of the Viscofan Group is based on objectivity, equal opportunities and training, and one of its aims is to favour gender diversity, among other aspects. This implies competitive remuneration, adapted to the skills and competencies of the different profiles in demand depending on the industrial or commercial process and in accordance with the realities of the multitude of countries in which Viscofan has a presence.

In addition, at all Viscofan locations, people receive adequate wages, in accordance with the country's legal minimum wage reference index, understood as:

Within the EEA: On the basis of Directive (EU) 2022/2041 of the European Parliament and of the Council of 19 October 2022 on adequate minimum wages in the European Union, it complies with the definition of a statutory minimum wage as the minimum wage set by law or other binding legal provisions, with the exception of minimum wages set by collective agreements that have been declared universally applicable without any discretion on the part of the declaring authority as to the content of the applicable provisions.

Outside the EEA: The national minimum wage laid down in the labour laws of the countries in which Viscofan has a presence is used.

Minimum wage paid in the country vs legal minimum wage in the country (% difference over minimum wage)	
Spain	98.1 %
Czech Republic	— %
Germany	48.0 %
Serbia	4.4 %
Belgium	18.5 %
United kingdom	— %
France	— %
Russia	1301.8 %
China	— %
Thailand	— %
Australia	10.5 %
New Zealand	45.5 %
Canada	— %
US	34.3 %
Mexico	0.4 %
Brazil	76.7 %
Uruguay	20.8 %
Costa Rica	— %

Social protection

ESRS S1-11. Phased-in disclosure requirement

The Viscofan Group is not reporting this information in this Sustainability Report as it is a phased-in disclosure requirement and is therefore exempt from reporting in the first year of the Sustainability Report as per Appendix C of ESRS 1.

Persons with disabilities

ESRS S1-12

As part of the promotion of diversity, Viscofan collaborates with special employment centres in Spain and other countries to carry out certain tasks that contribute

to the development of our productive activity. It also has people with functional diversity among its employees, so that those people who are accredited or have a certificate from the competent health body in the various countries are consolidated at Group level to respond to this point of ESRS S1. The data with these characteristics broken down by gender is as follows:

	2024				2023		
	Men	Women	TOTAL		Men	Women	TOTAL
No. of disabled employees	60	6	66		60	6	66

Training and skills development metrics

ESRS S1-13

Note: In this section, information on training and performance evaluation is reported as set out in ESRS S1-13, in line with the disclosure requirements of Law 11/2018 of 28 December on non-financial information and diversity. However, as this disclosure requirement is to be phased in and is therefore exempted from reporting in the first year of the sustainability report based on Appendix C of ESRS 1, the number of assessments as a proportion of the agreed number of management assessments is not reported. This indicator is being gathered and analysed for reporting in the next year in a reliable manner.

Viscofan promotes the personal and professional development of people through various initiatives to manage knowledge and make the most of employees' skills, combined with performance assessment processes to achieve the group's objectives.

Likewise, the industrial nature of the company requires combining a large number of operators with specialised personnel. An increasingly demanding and global industry, which implies greater knowledge and specialisation of the workforce. To meet this challenge, the Group is constantly investing in improving people skills, coupled with an ongoing training effort.

This is one of Viscofan's main objectives in terms of people management, promoting personal and professional development. The methodology has changed, with training through e-learning platforms, both at corporate and local level.

The breakdown of the hours of training undertaken has been reported in the incident-related action sub-section of this ESRS

A key focus of training in the Group is the subject of accident prevention to promote the importance of incorporating safe behavioural habits of the people who work at Viscofan. This training includes basic prevention measures that have to be adopted in the workplace, or the importance of day-to-day heart-healthy habits, the role of middle-level management and the improvement of its leadership in safety.

Facilitating training is one of the most effective measures to encourage professional development within the Group. The new processes and vacancies at Viscofan are notified internally so that the people that wish to can set themselves new challenges and goals at the company itself, strengthening and preserving the talent of the human team.

Furthermore, as part of the search for skills development, Viscofan promotes the implementation of performance evaluation processes as far as possible, in order to achieve the group's objectives. The percentage of the average workforce that has received a performance evaluation in 2024 by gender and professional category is as follows:

Performance evaluation	2024				% of average workforce in the category	2023				% of average workforce in the category
	Men	Women	TOTAL			Men	Women	TOTAL		
Management	86	25	111	94.7 %		100	30	130	100.0 %	
Technicians and department heads	579	255	834	63.1 %		542	231	773	59.3 %	
Administrative personnel	19	78	97	40.4 %		17	78	95	39.4 %	
Specialised personnel	254	125	379	42.3 %		285	126	411	44.9 %	
Workers	622	280	902	34.9 %		657	319	976	35.4 %	
TOTAL	1,560	763	2,323	45.0 %		1,601	784	2,385	44.6 %	

Health and safety metrics

ESRS S1-14

Viscofan works with the belief that it is possible to avoid all occupational accidents. Hence, it not only ensures that its facilities are safer, but also that its staff throughout the whole Group are aware of the fundamental importance of safety issues. To this end, Viscofan has the occupational health and safety policy described above.

This policy is overseen by the operational sustainability department, in close cooperation with the corporate and local human resources departments.

In parallel, in order to meet the organisation's occupational health and safety commitments, all plants work with Health and Safety Management Systems based on the guidelines issued by the corporate department and certified according to the ISO 45,001 standard, the international benchmark for occupational safety management systems. Thus, 100% of Viscofan's workforce is covered by this system.

Health and safety management system

Based on the occupational health and safety policy, Viscofan has a strategy and business model specifically designed to address material health and safety incidents and risks.

Firstly, we work towards the objective of zero accidents, with accident prevention integrated and managed at local level in the production plants, which have a management system based on the guidelines set at corporate level for all implementations and certified according to the ISO 45001 standard, the international benchmark for occupational safety management systems.

On this basis the corporate operational sustainability team plays a crucial role in ensuring that all production sites operate according to established standards, not only in compliance with local and national laws, but also based on an internal framework of standards that places a strong emphasis on accident prevention.

Overall, health and safety management is a dynamic process with the following components:

- Risk assessment and analysis: production plants have an assessment to identify potential sources of risk. This includes the analysis of production processes, ancillary and service phases that could lead to accidents.
- Monitoring and continuous improvement: Viscofan continuously monitors the areas at risk of occupational accidents. This monitoring is done through regular audits, inspections and detailed

risk assessments, with the aim of proactively identifying and addressing any potential hazards.

Accident types are consolidated into specific categories, allowing analysis of accident trends and patterns, and providing a solid basis for implementing appropriate prevention measures.

When an accident occurs, an investigation protocol is immediately activated. This process includes the collection of detailed information about the incident, interviews with those involved and witnesses, and analysis of the conditions that contributed to the accident. Based on this investigation, improvements and corrective actions are proposed to prevent the incident from re-occurring. Actions may include changes in work procedures, upgrading of safety equipment and additional training for employees.

The corporate department monitors the implementation of these improvements. This is achieved through regular reviews and compliance audits, ensuring that corrective actions are implemented effectively and sustained. In addition, detailed records are kept of all improvements implemented, allowing for continuous evaluation of their effectiveness and identification of additional areas for improvement.

- Awareness and training: Based on the occupational health and safety policy, the promotion and exchange of best practices in occupational health and safety is encouraged, as well as awareness-raising, training, education and continuous information to promote safe behaviour and a culture of excellence.

For Viscofan, the material aspects affecting safety are based on the characteristics of the position. This explains Viscofan's constant effort to standardise procedures and disseminate the company's policy on the subject among the workforce, making specific courses and information available to employees in their work areas.

Coordination with suppliers and third parties on occupational health and safety applied to all Group activities is key.

- Investments in equipment: Viscofan promotes investment in the plants by seeking as far as possible the best available technologies in terms of health and safety at work.

- Audits: internal and external audits are carried out to assess the effectiveness of the measures implemented. Furthermore, Viscofan is working towards the goal of certifying all its plants under the ISO 45001 standard.

In addition, the corporate operational sustainability team conducts comprehensive audits to assess and verify compliance with health and safety regulations at each facility. These audits not only review adherence to local and national laws, but are also based on an internal framework of standards.

A key part of their work is the assessment of health and safety management systems, ensuring that plants have adequate procedures in place to minimise the occurrence of a negative impact.

Finally, Viscofan has a corporate objective to reduce the severity rate, see the goals sub-section of this ESRS.

On this basis, Viscofan considers that it has a strategy in place to address material incidents and risks with the aim of preventing illnesses and accidents in the work environment. This qualitative analysis is based on the premise that both in the medium and long term it seeks to improve the current status.

In addition, the collective agreements of the different locations in which the Viscofan Group is present determine certain specifications in terms of matters related to health and safety.

Coordination with suppliers and third parties on occupational health and safety applied to all Group activities is key.



The details of the Viscofan Group's health and safety indicators based on the provisions of ESRS S1-14 are as follows:

Table of health and safety indicators	2024			2023		
	Men	Women	Total	Men	Women	Total
% staff covered by health and safety management system	100%	100%	100%	100%	100%	100%
Number of deaths from work-related injuries and health problems	0	0	0	0	0	0
Number of accidents	62	19	81	85	20	105
Occupational diseases	1	3	4	5	0	5
Accident rate 1	0.13%	0.09%	0.12%	0.16%	0.10%	0.14%
Severity Index 2	0.16	0.12	0.15	0.20	0.13	0.18
Frequency Index 3	8.46	6.50	7.90	11.30	6.60	10.0
Absenteeism rate 4	5.35%	7.01%	5.83%	4.19%	4.43%	4.26%

	2024	2023
Days lost due to accidents, occupational accidents (work-related injuries and deaths)	1,493	1,866

Legend: 1. Number of hours lost per accident between hours worked. 2. Number of equivalent days lost due to accidents per thousand hours worked. 3. Number of accidents per million hours worked. 4. Hours lost per illness or accident / Total hours worked

Note: This information does not include data on non-employee workers as this is a phased-in disclosure requirement and therefore exempt from reporting in the first year of sustainability reporting as per Appendix C of ESRS 1.

In the 2024 financial year, the number of accidents in the Group reduced by 23% compared to the previous year and the severity index also reduced thanks to the constant improvement in the health and safety management system described above.

Work-life balance metrics

ESRS S1-15. Phased-in disclosure requirement

The Viscofan Group is not reporting this information in this Sustainability Report as it is a phased-in disclosure requirement and is therefore exempt from reporting in the first year of the Sustainability Report as per Appendix C of ESRS 1.

Compensation metrics (pay gap and total compensation)

ESRS S1-16

Within the area of remuneration, 75% of the company's employees are covered by general collective bargaining agreements, therefore improving the minimum conditions set by the different employment legislation. Collective Bargaining Agreements regulate the remuneration received by the workers who sign them, and in particular establish criteria of equity between similar jobs, thus avoiding gender discrimination and the wage gap between equivalent jobs. The Group's average remuneration is €37,882 (€37,002 in 2023): €40,598 for men (€40,125 in 2023) and €31,293 for women (€29,545 in 2023). This difference in average remuneration corresponds to a multitude of factors, from the gender composition of the Group, to its geographical presence, the different distribution of jobs, their level of specialisation, the night shifts for a continuous production process of 24 hours, danger and seniority bonuses, etc., which are in line with the industrial context, the composition of the workforce and the history of the Viscofan Group.

In order to be able to carry out internal monitoring of possible gender-based pay differentials, the guidelines of the job evaluation project carried out in Spain in 2021 have been followed, with the aim of identifying comparable grades, i.e. those which, due to the nature of the functions or tasks effectively entrusted, the educational, professional or training conditions required for their exercise, the factors strictly related to their performance and the conditions in which these activities are carried out, are equivalent. This analysis was carried out with the help of the consulting firm

Willis Tower Watson, which made it possible to identify up to 21 equivalent grades within Viscofan.

Based on this experience, the equivalent in degrees was analysed internally for all the companies included in the scope of consolidation. Hence, the remuneration by degrees and gender was analysed in the different towns, to identify salary gaps, understood to be the difference between the fixed salaries of men and women with respect to the fixed salary of men in each of its degrees. Based on this analysis, Viscofan can monitor the performance of this indicator in the most significant degrees and therefore be able to establish the measures for its improvement.

The result of this analysis is summarised in the weighted pay gap of the Viscofan Group. In addition, the gender pay gap calculated in accordance with the provisions of point AR 101 of this ESRS is detailed below:

Gender pay gap	2024	2023
Viscofan Group (Weighted)	10.6%	12.0 %
Viscofan Group	22.9%	26.4 %

Furthermore, the ratio between the total annual remuneration of the highest paid person and the median total annual remuneration of all employees (excluding the highest paid person) is 55.9.

Incidents, complaints and severe human rights impacts

ESRS S1-17

Viscofan has the Ethics Channel. Integrity Line on which any interested person can file a complaint about, among others, cases of discrimination, including harassment and the grounds set out in point 102 of the ESRS S1. In this regard, no complaints have been received on this channel about this type or in relation to the issues defined in section 2 of the ESRS S1.

The figures of complaints have been obtained and aggregated from the computer system of the Ethics Channel. Integrity Line managed by the ethics and regulatory compliance committee and whose characteristics have been detailed in the ESRS G1 Business Conduct.

There have been no significant fines, penalties or damages as a result of the cases and claims listed above. See note 13.3 of Contingent Assets and Liabilities in the Annual Report to the Consolidated Financial Statements.

Furthermore, there have been no cases of serious incidents related to human rights, nor are there any fines, sanctions or compensation for this concept. See note 13.3 of Contingent Assets and Liabilities in the Annual Report to the Consolidated Financial Statements.



3.2. ESRS S4. Consumers and end-users

With our products and global positioning we contribute to the nutrition and well-being of millions of people, which requires responsible management of the entire supply chain. From the selection of raw materials, the cooperation with our suppliers on efficiency, social and environmental challenges, to the relationship with our customers, helping them to meet the changing needs of consumers and solve their sustainability challenges, while facilitating food safety.

Current and potential incidents, risks and opportunities

Positive

- Incidence: To make it easier to feed an affordable protein to millions of households around the world.
- Opportunity: Product safety and quality as a competitive advantage to lead the casing market.

Negative

- Incidence: Food security crisis.
- Risk: Failure to meet quality standards or a food safety crisis can lead to lawsuits and reputational damage.
- Risk: Losing market position due to regulatory requirements in terms of food safety.

Policies and commitments

- Code of Conduct.
- Business Practices Policy.
- Food Regulation Policy.
- Food Crisis Protocol. Product Withdrawal.
- Quality and Food Safety Management System.

Sustainability goals

- 70% of our production plants with the highest AA rating in the Global Food Safety Initiative (GFSI) food safety certification. By 2024, this objective is met with 92% of the plants with this score.

Head of Governance

- Board of Directors. Appointments, Remuneration and Sustainability Committee, Audit Committee.
- Executive Sustainability Committee.
- CEO.
- R&D and Corporate Quality Department.

Support

- Corporate Department of Regulatory Affairs.
- Customer Service.

3.2.1. Strategy

Casings are an essential element in the production of sausages and therefore in the food chain, allowing access to protein for millions of consumers. However, the vast majority are not perceived by the end consumer, especially in the case of cellulosic and fibrous products that are peeled by meat processors before sale. An increasingly conscious consumer when making purchasing decisions, which requires more transparency about the environmental and social impact of products, functional performance, safety and traceability of production throughout the value chain.

This trend is supported by government authorities, non-governmental organisations, industry organisations and associations and consumers through regulation and certification.

In this context, Viscofan has a wide range of products in the casing market, with sales in more than 100 countries, resulting in a complex landscape of functional and regulatory requirements that require a holistic approach on the part of quality management.

This approach starts with the development of products and applications to meet the demands of our customers and consumers and to comply with regulatory requirements for quality and food safety. It continues in the production facilities themselves, built according to the requirements of food safety standards; through training programmes in food hygiene and product safety; control of raw materials, which must meet specifications previously agreed with approved suppliers; systems for detecting inadequate materials in the production process; protocols for action in the event of a food safety crisis; pest control; control of hazardous materials; personal hygiene and visitor policies.

Interests and views of stakeholders

ESRS 2 SBM-2

To define this approach Viscofan comprehensively addresses the expectations of customers and, by extension, consumers, authorities and associations by providing public commitments (e.g. policies, technical documents, the Code of Conduct and the Supplier Code of Conduct) in its efforts to continuously improve its offering and proactively comply with the latest and future requirements, and to provide appropriate transparency in its activities.

Specifically, for Viscofan, interaction with customers is a very valuable tool for incorporating the interests and opinions of consumers in the development of the value proposition of products, especially in the protection of risks that may affect health or safety. It is worth highlighting the satisfaction evaluation and the system for complaints and grievances.

Viscofan's sales team has a satisfaction evaluation system that allows it to directly collect customer feedback by measuring four main parameters (product quality, delivery service, economic competitiveness and technical assistance).

Viscofan also has an integrated, comprehensive complaints and claims system that facilitates dialogue and communication to record, identify, follow up and analyse any communication of dissatisfaction with the product or service provided by the Viscofan Group to its customers. It is a transversal continuous improvement system in which the departments involved must analyse the cause of the dissatisfaction and provide corrective actions to be established in the organisation to avoid its repetition. Any dissatisfaction is analysed, making it possible to control both the material that is returned as a result of the complaints and compensations paid to customers.

For more information on how Viscofan interacts with its customers and thus indirectly with consumers and end-users, please refer to the stakeholder-related section of ESRS 2 General Disclosures.

Material issues, risks and opportunities and their interaction with strategy and business model

ESRS 2 SBM-3, ESRS 2 IRO-1

As casings are an essential ingredient in the production of sausages, Viscofan works to meet quality and food safety requirements, with excellence being a priority as the integrity of the food that reaches the final consumer depends in part on our casings. However, we are not exempt from the possibility of a food safety incident (see description below of this material incident), which would pose a risk to Viscofan both at regulatory level due to non-compliance with product quality standards and reputational risk (see description of these risks below). In this case, our response is deeply rooted in our strategy and business model. We have developed rigorous protocols to manage and mitigate any risk, ensuring a quick and effective response to protect both our customers and end-users.

By complying with the requirements of ESRS 2 SBM-3 paragraph 48, we include all consumers and/or end-users who could be materially affected by a food safety incident, i.e. any consumer of a sausage manufactured with a casing supplied by Viscofan. This includes those who may be affected by our own operations and value chain, through our products and through our business relationships.

We have identified material risks and opportunities arising from impacts and dependencies on our consumers and/or end-users through our materiality analysis.

Below are the main IROs, their classification by category and their description, as well as their interaction with Viscofan's business, strategy and financial planning in accordance with disclosure requirement SBM-3 of ESRS 2.

Viscofan's objective is to avoid or mitigate risks, actively deciding how to respond and, at the same time, we seek to take advantage of opportunities, incorporating them into our strategy.

It should be noted that, for the incidence and material risks of consumers and end users, Viscofan has specific response plans to anticipate or mitigate possible future financial impacts. Viscofan works to prevent the occurrence and guarantee at all times the excellence of its products and services for both customers and the end consumer. For this purpose, Viscofan has a food safety system described in detail in point 3.2.2. of this ESRS.

Negative impact of food security crises

Viscofan's products, the casings, are part of the food chain and can therefore trigger an individualised food safety crisis incident, understood as the detection of a biological, chemical or physical hazard in food, feed or humans, which could result in, or indicate, a potential risk to public health, as defined in Decision (EU) 2019/300. Such an incident can be caused by a number of situations that can occur simultaneously:

- Conditions that put the population's health at risk.
- Failure to comply with any legal requirement.
- Threats within the Organisation (such as malicious contamination or sabotage, fires, etc.),
- Environmental threats (such as pandemics; disruption of essential services, such as water and energy supplies; floods and other natural disasters; failures/attacks in digital cybersecurity, etc.).

Within the categories established by ESRS S4 paragraph 10. a) this identified occurrence may affect consumers of products that may be intrinsically harmful to humans.

Viscofan has classified this incident into three types: emergency, major incident, and minor incident, depending on the effects on consumer food safety and also on Viscofan's brand image, each triggered by a management system.

In the 2024 financial year, there were no incidents or risks classified as emergencies or of a serious nature for which Viscofan had to activate the food safety crisis management procedure, or which gave rise to lawsuits or damage to Viscofan Group's reputation.

Risk of non-compliance with quality standards or a food safety crisis that could lead to lawsuits and reputational damage.

Non-compliance with quality standards in the production and distribution of products with an impact on consumer health can lead to a deterioration of the company's reputation. News of this kind can spread quickly through social media and other media, leading to a loss of trust in the company and a decrease in sales.

Furthermore, in addition to health risks, non-compliance with quality standards may give rise to legal claims for negligence or damages, which may result in fines by the competent authorities and an obligation to compensate the affected parties.

In the 2024 financial year, there were no incidents or risks classified as emergencies or of a serious nature for which Viscofan had to activate the food safety crisis management procedure, or which gave rise to lawsuits or damage to Viscofan Group's reputation.

Risk of loss of competitive position in the market due to regulatory requirements in terms of food safety and opportunity for competitive advantage to lead the casing market

Regulatory requirements in terms of food safety are strict and change frequently to protect consumer health. Should Viscofan fail to keep up with these changes and adapt its production processes, it could face regulatory penalties ranging from fines to a ban on the sale of its products.

This risk of loss of competitive position also affects as a positive opportunity in relation to the Viscofan Group's competitive advantage in terms of consumer health and safety as a lever to lead the packaging market.

In 2024, the Viscofan Group did not receive any relevant fines or penalties related to the failure to adapt its production processes to current regulations and any possible updates to these.

Viscofan seeks to lead the industry not only in innovation and quality, but also in food safety. We have a wide range of certificates that endorse our commitment to the highest safety standards, setting ourselves ambitious targets to obtain higher level ratings in these certifications (see more detailed description of this aspect in sections 3.2.2 and 3.2.3. of this ESRS), ensuring that our production processes and products comply with the regulations and requirements of our customers at a global level.

Thus, in 2024, there were no incidents or risks classified as emergencies or of a serious nature for which Viscofan had to activate the food safety crisis management procedure, or which gave rise to lawsuits or damage to Viscofan Group's reputation. In addition, Viscofan continued to maintain its global leadership in casings in the financial year.

Positive impact by facilitating access to global food and different groups

One of our sustainability commitments is SDG 2: "Zero hunger". Belonging to the food market carries with it a great responsibility, associated with providing millions of people around the world with access to basic nutrition. On this basis, within its purpose, Viscofan seeks to reach as many people as possible. Therefore, the development of products and solutions adapted to the needs of groups is an opportunity for Viscofan.

- Halal: In order to sell our products for the production of sausages destined for this community, it is necessary to have a certification issued by the Muslim authority of the exporting country, which certifies that a specific food or pharmaceutical product meets the requirements of the Islamic Law for consumption by the Muslim population and Islamic communities. A demographic that represents approximately a quarter of the world's population.
- Kosher: Requirement for the consumption of food by the Jewish community.
- We also manufacture products of vegetable origin for vegans and vegetarians.
- Promotion with meat and food companies for the development of the sausage production industry in India.

For reasons of competitive sensitivity, Viscofan does not break down the current or expected financial effects of this positive impact. However, they are part of some growth axes within the financial objectives set in the Beyond25 Strategic Plan.

3.2.2. Incident, risk and opportunity management

Policies related to consumers and end-users

ESRS S4-1, ESRS 2 MDR-P

Viscofan has several policies and commitments in place to manage material product impacts on consumers and end users, as well as the related material risks and opportunities. In the case of Viscofan, the occurrence of the negative impact described above could affect the right to an adequate standard of living and, in particular, health and the quality of food.

It is based on Viscofan's Code of Conduct (see more detailed description in section G1 Business Conduct), based on internationally accepted conventions on the defence of human rights, in particular the United Nations Global Compact, the United Nations Norms on the Responsibility of Transnational Corporations in relation to Human Rights, the OECD Guidelines for Multinational Enterprises, the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy.

Viscofan's Code of Conduct, based on the search for respect for people's human rights, establishes among its guidelines the quality, safety and protection of the environment with our products. In the particular case of quality, it typifies the following:

"Our products do not pose unacceptable risks to life or health as we comply with the technical regulations applicable to the approval and marketing of our products. Quality is an essential component of our brand."

On this basis, the following policy and protocol have been articulated.

Food Regulation Policy

Its purpose is to ensure compliance with and adequacy to food regulations that are applicable to the activities and products of the Viscofan Group, identifying the necessary channels for their control, analysis and monitoring. This is an internal policy available to all employees on the corporate intranet, with the Corporate Regulatory Affairs Department being responsible for transparent communication of the food regulations applicable to the Group.

Food regulations govern the manufacture, processing and marketing of products intended for food consumption. It also covers products intended to be in contact with foodstuffs, such as packaging, plastics or inedible casings.

It must be complied with by Viscofan Group employees in all Group companies and is applicable to all activities related to food products, depending on their geographical scope of application at any given time.

The Corporate Regulatory Affairs Department is responsible for promoting, coordinating and supervising actions aimed at compliance with food regulations throughout the Viscofan Group, coordinating with those responsible for regulatory affairs in each of the companies that make up the Viscofan Group, who are responsible for food regulations in the territory in which the company operates, in application of the principles and content of this policy.

In complying with the policy, the Corporate Regulatory Affairs Department and the local Regulatory Affairs officers, considering interested parties, may contact external experts to obtain their opinion or, where appropriate, to coordinate or confirm their opinion and interpretation of the regulations applicable in their areas of activity.

In addition, the policy sets out methods to ensure that any new developments in food regulations applicable to Viscofan's activities are captured. These methods include, among others, membership of associations related to food regulations that inform of regulatory updates. It is worth highlighting the participation in the following alliances:

- Comité International de la Pellicule Cellulosique (CIPCEL). Based in Brussels, CIPCEL comprises the leading producers of regenerated cellulose film products.
- Collagen Casing Trade Association (CCTA). An association of leading producers of collagen casings worldwide that provides a forum for its members to discuss the development of legislation and actively promote the use of collagen casings.
- AINIA. Food technological centre based in Spain that supports the R&D tasks of its partners, especially in the areas of quality, food safety, sustainability, environment, design and industrial production.
- ANICE. The Spanish National Association of the Meat Sector is the biggest meat association in Spain to provide advice, represent and defend the sector's interests.

Food Crisis Protocol. Product Withdrawal

Based on the food regulation policy, the Viscofan Group has a general protocol for action in the event of a food safety crisis; identifying the elements to be taken into account to respond efficiently to it; establishing guidelines for action in the event of a product withdrawal or recall being necessary; developing an adequate communication plan and establishing the necessary mechanisms to monitor and review the events and their causes after the incident has ended, thus avoiding a repetition of the same.

This protocol covers all activities from the time the food incident is identified until the crisis is closed.

This is an internal document available to all employees on the corporate intranet.

This protocol has been approved by the Chief Executive Officer and the Directors of the departments involved in the event of a food safety crisis and product withdrawal/recall (Commercial, Finance, Operations, R&D and Quality, Legal, Investor Relations, Communication and Sustainability).

It applies to all products manufactured and distributed by all Viscofan Group companies, whether they are in their facilities, in transit, in the facilities of their distributors or in those of customers and consumers.

Processes for engaging with consumers and end-users on issues

ESRS S4-2

Viscofan, with its main product, casings, facilitates the production of sausages and with the exception of collagen casings, the usual practice is to remove them from the final product before packaging and subsequent sale by our customers, the meat processors.

The Group has a quality system that seeks to comply with the applicable regulations in this area in order to guarantee product quality and avoid incidents as far as possible.

On this basis, Viscofan's collaboration in terms of product quality is closer with customers, with specific channels managed by the commercial department which, among other aspects, cover product quality. These are the complaints and claims system and the customer satisfaction evaluation system.

In the event of a possible food crisis incident (product withdrawal), Viscofan has a protocol in place that seeks to safeguard the health of consumers and end-users, for which the departments involved are responsible as set out in the protocol detailed earlier in this ESRS.

Operating procedures are established based on: i) initiation of the incident with its receipt and communication; ii) activation of the Technical Committee on Crisis and valuation (initial data, risks, classification, decision on whether to withdraw the product, registration of the valuation); (iii) crisis management (activation of the Crisis Committee, performance of the functions set out in the protocol, product withdrawal/recall, finalisation and reporting); (iv) Communication guidelines.

Likewise, in order to manage this type of incident, Viscofan facilitates direct collaboration with customers, distributors, authorities or other stakeholders based on the established communication channels described in the following section.

As established in the Food Crisis Protocol, Viscofan conducts a simulation at least once a year to evaluate the effectiveness of its food safety crisis management procedures. This simulation assesses various aspects, including the product withdrawal and recall process. Additionally, it examines the channels of communication and collaboration with consumers. The simulation involves customers, distributors, and other relevant contacts, such as certifiers, external laboratories, and public health authorities. Furthermore, depending on the nature of the simulated incident, the exercise may also involve different subsidiaries within the Viscofan Group. The department responsible for the simulation is Corporate Quality Management, in collaboration with local Quality Management.

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

ESRS S4-3

The Food Crisis Protocol, once an incident has started, and depending on its possible effects on the consumer, establishes channels to ensure that sufficient human, technical and financial resources are available to manage the crisis.

First, if applicable, a decision is made on the activation of the product withdrawal/recall process based on the crisis category and the location of the product. A measure aimed at achieving the return, both by customers and end-consumers, of unsuitable products.

Once the affected product has been identified, affected customers and distributors need to be notified of the withdrawal or recall and their involvement. In addition, they should be given specific instructions on what to do with the product concerned (withdraw it from sale, notify customers, return it to the supplier, destroy it, etc.). A framework document is to be drawn up in case it is necessary to report the incident to the competent health authority (in accordance with the legislation applicable in each country).

Likewise, a series of measures necessary for the optimal resolution of the incident are established, with periodic monitoring of these measures to assess their effectiveness, through the preparation of situation reports until the incident is over.

Furthermore, Viscofan does not have a specific procedure for remediation when it is determined that a product has caused a negative impact on consumers as these are isolated events that must be analysed individually in conjunction with customers, consumers and relevant authorities, which may vary depending on the different countries in which Viscofan sells its products.

Communication channels

Food safety crisis and product withdrawal/recall protocol

In the specific case of a food safety crisis involving a product withdrawal, Viscofan has an action protocol in place that establishes the following communication channels, ensuring that all the agents in the value chain involved and affected are informed in a timely manner and can express their concerns:

- The crisis committee designates the role of a Spokesperson for crisis communication management. The Spokesperson is responsible for the constant contact with stakeholders and is therefore the receiver of requests and the sender of responses.
- The commercial department is in charge of contacting the affected customers to keep them informed based on the decisions made by the crisis committee.
- The Quality Management managers are the point of contact with the health authorities and the certification body Global Food Safety Initiative.

In the case of product withdrawal/recall seeking remediation or minimisation of the impact, once the affected product has been detected, it is necessary to notify the affected customers about the recall/recovery and its involvement. In addition, they must be provided with specific instructions on what they must do with the affected product (remove it from sale, notify customers, return to supplier, destroy it, etc.).

Ethical Channel. Integrity Line

Viscofan has an Ethical Channel. Integrity Line that seeks to facilitate accessibility, knowledge and promotion so that employees, customers, suppliers or other interested stakeholders can express their concerns. See more details about it in ESRS G1 – Business Conduct.

Effectiveness of communication channels

The crisis simulation exercise carried out by Viscofan aims to guarantee the effectiveness of this procedure and involves customers, distributors and other affected contacts, testing the correct functioning of the communication channels.

The Ethical Channel. Integrity Line is unique for all Group companies and for all violations or irregularities. It is accessible through the corporate website and the Viscofan intranet and has the following characteristics:

1. It will allow the communication of information 24 hours a day 7 days a week by completing a written form. This form is available in several languages.
2. At the request of the informant, the information may also be presented through a face-to-face meeting that must take place within a maximum period of seven days. Where appropriate, the whistleblower shall be warned that the communication will be recorded and informed of the processing of his or her personal data. The face-to-face meeting may be replaced by a video conference meeting or other secure telematic means that guarantee the identity of the whistleblower, and the security and confidentiality of the communication.

3.

4. Anonymous submissions are permitted.

Communications are made on the basis of a procedure that provides the necessary guarantees for informants and other parties concerned, in particular as regards protection against reprisals when using this system.

Taking action

ESRS S4-4, ESRS 2 MDR-A

Actions related to food safety incidents, opportunities and risks

However, in order to prevent, mitigate and repair an event of relative importance and the risks associated with it, Viscofan promotes a food safety and product quality system in its operations, seeking to ensure the safety of consumers with the packaging and ingredients used, and promoting an effective incident management system. Following on from this, Viscofan seeks excellence in food safety as a competitive advantage. The measures and resources allocated are as follows:

Food safety and product quality system

Viscofan has a quality management system, managed and coordinated by the Corporate Quality Management department, which is based on the following guidelines to ensure that the measures implemented are necessary and appropriate to avoid, as far as possible, the occurrence of a negative impact:

- Hazard analysis and critical control point. Viscofan has a hazard analysis and critical control point (HACCP) system in place. Hence, an interdisciplinary team assesses every step of the production process to detect possible hazards (physical, chemical and microbiological pollution, including allergens), identify critical control points, establish relevant controls and take any required corrective action. The system is annually updated in line with any changes in the production process.
- Compliance with applicable legislation. The production of casings is increasingly regulated in the area of food safety by countries and supranational institutions, creating a growing and constantly changing battery of rules. This regulatory framework directly affects the activity of different production plants due to laws in the country of origin and requirements in the receiving countries, and internationally recognised standards. Viscofan has a specific Patents and Regulatory Affairs department to update and monitor regulations.
- Product traceability and certification. Viscofan operates a product traceability system that enables us to identify, at any time and in full detail, the history of every unit and even sub-unit sold, from receipt of raw materials to product use by our customers. In Europe, Viscofan has fully implemented the food traceability system in accordance with Regulation (EC) 178/2002.

- Audit and certification. To ensure that our product safety and food hygiene systems comply with requirements, our production processes are audited internally on a regular basis. Our production facilities are also continuously audited by the health authorities, numerous customers and certification authorities. In this regard, all the Group's plants are Global Food Safety Initiative (GFSI) certified, which is an initiative of key food industry partners working together to drive continuous improvement in food safety management systems around the world.

Viscofan also has internationally recognised certifications for meat processors to approve their suppliers and market their products in the world's main distribution chains, and as part of its commitment to food safety and hygiene, it seeks to improve on the marks obtained with these certificates. The certificates demonstrating the Group's commitment to workplace safety, health and product quality are shown below:

Viscofan also holds internationally recognized certifications enabling meat processors to certify their suppliers and market their products in the world's leading distribution chains. As part of its commitment to food safety and hygiene,

it seeks to improve the score obtained with these certificates. The certificates demonstrating the Group's commitment to safety, health, and product quality in its workplaces are shown below:

Country	Plant	Certifications	
		Food safety	Quality
Spain	Cáseda	BRCGS Packaging Materials BRCGS Food Safety	ISO 9001
	Urdiain	BRCGS Packaging Materials	
Czech Republic	Ceske Budejovice	BRCGS Packaging Materials BRCGS Food Safety	ISO 9001
Germany	Weinheim	BRCGS Food Safety	ISO 9001 ISO13485
	Alfhausen	BRCGS Packaging Materials	ISO 9001
Serbia	Novi Sad	BRCGS Packaging Materials BRCGS Food Safety	ISO 9001
Belgium	Hasselt	BRCGS Packaging Materials	ISO 9001
China	Suzhou	BRCGS Packaging Materials BRCGS Food Safety	ISO 9001
Canada	Montreal	BRCGS Packaging Materials	
US	Danville	BRCGS Packaging Materials	ISO 9001
	Montgomery	BRCGS Packaging Materials BRCGS Food Safety	ISO 9001
	New Jersey	FSSC 22000	ISO 9001
Mexico	San Luis	BRCGS Packaging Materials BRCGS Food Safety	ISO 9001
	Zacapu	BRCGS Packaging Materials	ISO 9001
Uruguay	Pando	BRCGS Food Safety	ISO 9001
Brazil	Itu	BRCGS Packaging Materials BRCGS Food Safety	ISO 9001
	Ermelino	BRCGS Packaging Materials	
Australia	Sidney	FSSC 22000	ISO 9001

Product safety vis-à-vis consumers and end-users

The Quality Management and Regulatory Affairs departments, supported by Customer Service, are globally responsible for the food safety of the packaging and compliance with applicable laws, regulations and standards.

In this regard, in addition to third-party certifications, risk analyses are carried out for certain ingredients, as well as the monitoring, analysis and assessment of specific regulations and standards that may have an impact on the business.

Product recall incident simulations

Every year Viscofan carries out simulations of a product recall incident, which are recorded in an internal information storage tool. The crisis drill, including product withdrawal/recall, will involve customers, distributors, other affected contacts (certifier, external laboratories, public health, etc.), as well as the different subsidiaries of the group as appropriate.

In 2024, Viscofan carried out a crisis simulation exercise with satisfactory results.

Actions related to relatively major food facilitation incidents

Communities: With a view to the production and marketing of Halal and kosher certified casings to facilitate the feeding of an affordable protein to these communities, Viscofan has such certifications in several plants.

Vegetarian, vegan and flexitarian population: Viscofan with its vegetable-based casings, both non-edible such as cellulose and fibrous, and edible such as the Veggie casing, contributes to the development of a wider variety of products. In particular, in 2024 it worked with several companies producing plant-based sausages to develop recipes to improve the taste and quality of the ingredients.

Development of the sausage production industry in India: With a sales office located in Bangalore staffed by sales and technical support people, and a product application plant, Viscofan has worked in 2024 with meat processors in the development and promotion of different recipes for both meat-based and plant-based sausages.

Desarrollo de la industria de producción de embutidos en India: con una oficina comercial ubicada en Bangalore formada por comerciales y personas de asistencia técnica, y una planta de aplicación de producto, Viscofan ha trabajado en 2024 con procesadores cárnicos en el desarrollo y promoción de distintas recetas tanto de embutidos basados en carne como de embutidos basados en plantas.



3.2.3. Metrics and targets

Targets related to managing material adverse events, driving positive events and managing material risks and opportunities

ESRS S4-5, ESRS 2 MDR-T

Viscofan does not have a specific target related to this aspect framed within the Sustainability Action Plan due to the fact that no specific indicator has been identified that can measure the objective of avoiding food safety incidents that could affect consumers and end users of the products and, by extension, reputation. However, it seeks to meet this objective by improving the management of food safety at the sites, and by seeking customer satisfaction. To this end, the elements that help to measure Viscofan's performance are as follows:

- Qualification of food safety certificates: Viscofan is seeking to improve its score under the GFSI certificate in this area, so that in 2024 92% of the plants have obtained the maximum score (AA) in the certificate, a considerable improvement compared to 45% five years ago and above the target of 70%.
- Customer satisfaction: the latest global customer satisfaction survey carried out in 2024 showed an overall customer satisfaction rating of 85, providing information that serves as a basis for catalysing improvements in customer service, and in particular product quality.
- Integrated Grievance and Grievance System: In 2024, a total of 3,612 complaints were registered in our systems, including both service and administrative or product complaints.



4

Governance information



4.1. ESRS G1. Business Conduct

We start from the essential premise that all Viscofan people act in accordance with the principles set out in the Code of Conduct and in the policies of the Compliance System. Compliance expectations that go beyond legal requirements and regulatory standards, and are the basis for achieving exemplary performance and quality in all products, processes and stakeholder dealings.

Viscofan promotes the development of its Regulatory Compliance System to guarantee actions to prevent misconduct, mitigate compliance risks and effectively protect people. Business conduct training ensures that all employees understand the behaviour expected of them.

Suppliers are also expected to meet the highest professional and ethical standards in the industry, as business conduct applies not only to Viscofan's own operations but also to responsible sourcing and supplier relations.

Current and potential incidents, risks and opportunities

Positive

- Compliance through a culture of shared values
- Maintaining a good corporate reputation

Negative

- Non-compliance with rules, regulations and laws. Financial penalties
- Loss of customers and business partners
- Decrease in the Viscofan share price

Policies and commitments

The basis of the Regulatory Compliance System is Viscofan's Code of Conduct, complemented by specific policies in the areas of good governance, commercial, financial resources and taxation, information and systems, people and production.

Sustainability objectives, measures and progress

- Audit on compliance with the Supplier Code of Conduct for 50% of suppliers of key raw materials by 2024 (met) and 100% by 2030
- Zero incidents of corruption

Head of Governance

- Board of Directors
- Audit Committee of the Board of Directors
- Appointments, Remuneration and Sustainability Committee of the Board of Directors
- Ethics and Compliance Committee
- Legal department, secretary of the Board
- Local Compliance Officers

4.1.1. Governance

ESRS G1, ESRS 2 GOV-1

Viscofan's business conduct and compliance system is not only a matter of compliance with laws, but also a matter of values, an attitude that reflects a culture of shared values of tolerance and integrity in all the people who work at Viscofan and who contribute to achieving the objectives and conducting business conduct in a sustainable manner.

Viscofan considers that integrity and transparency contribute directly to achieving its objectives and managing its business in a sustainable manner. To ensure this, it has an ethics and compliance system whose objectives are to promote an ethical culture in the organisation that strengthens its competitiveness and long-term sustainability, reputation and ensures compliance with the regulatory system by all employees.

The ethics and regulatory compliance committee is the body responsible for overseeing and supervising the proper implementation and monitoring of the Group's compliance system, defined by the Board of Directors.

The Audit Committee supervises the effectiveness and functioning of the Ethics and Regulatory Compliance Committee and, to this end, receives periodic information from the Committee on compliance with the Internal Code of Conduct in matters relating to the Securities Market and the Code of Conduct and in particular, on the whistleblowing channel.

Based on the policy of diversity in the composition of the Board of Directors and the selection of directors, the directors of the Audit Committee have the necessary training and experience in the functions attributed to this committee by the Regulations of the Board of Directors. See curricula vitae described in the Annual Corporate Governance Report which forms part of the Directors' Report.

In addition, the Ethics and Compliance Committee is staffed by individuals with training and work experience in ethics, governance and compliance issues.

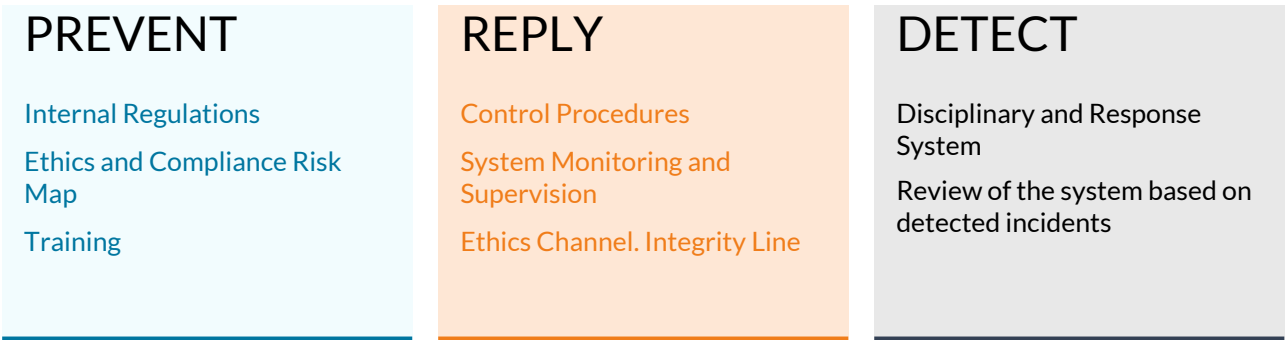
In addition, in each of the Group's companies there is a local compliance officer, who is the person appointed by the ethics and regulatory compliance committee in charge of monitoring and continuous training in the Group's compliance system for employees, managers and directors at the local level. This system has been widely disseminated and is published and available to employees on the Group's intranet.

4.1.2. Incident, risk and opportunity management

ESRS G1-1, ESRS 2 IRO-1

Elements of the Ethics Regulatory Compliance System

This system has implemented elements in order to prevent, detect and respond to possible risks with a negative impact on the Group.



At the recommendation of the Ethics and Regulatory Compliance Committee and subject to a report by the Audit Committee, the Board of Directors approved the Group's Compliance Plan, which contains action plans in different areas: improved internal regulations, annual update of the procedural compliance risk map, training plans, internal control improvement plans. In relation to the training plans, work is carried out in a transversal manner with the Human Resources Department to ensure the dissemination of the Code of Conduct, which in turn participates in the implementation of the annual compliance training plans.

Every three years, a compliance monitoring and follow-up plan is defined, based on the risk assessment to identify, analyse and prioritise those risks that should be included in the plan. It is a dynamic plan and reviewed with management and the audit committee to ensure that it is in line with the organisation's priorities. Communication and integration of all compliance risks in a comprehensive manner, in collaboration with all functional units performing specific compliance risk monitoring and control tasks, is essential.

In this way, the identification and assessment and updating of compliance and business ethics risks considers aspects such as geographical location, and the scope of transactions

carried out by the different departments of Viscofan according to a business model based on the manufacture and marketing of packaging to customers through direct sales or through distributors. According to this business model, the areas of sales, purchasing and management are considered to be most susceptible to risk.

In addition, the compliance system covers specific issues such as market abuse regulation, data protection, conflicts of interest and corruption, and import and export trade with sanctioned countries.

The objective is that all relevant ethics and compliance risks of the company are monitored at least once a year.

Finally, Viscofan's compliance system has a reporting process by virtue of which the ethics and compliance committee reports at least twice a year to the Audit Committee on the development of the compliance plan for the year, which includes the proper functioning of the ethical channel and the management of those received through this channel. The committee in turn reports to the Board of Directors on the operation of the System and the improvement plans to increase its effectiveness.

Within the ethics and compliance committee, in addition to the experience mentioned in the previous section, specific training is promoted for the persons in charge of receiving complaints in the form of specific qualifications in compliance matters, or specific subjects such as money laundering.

Business conduct and corporate culture policies

The prevention system is based on internal regulations, consisting of a Code of Conduct indicating ethical principles and behavioural guidelines, complemented by internal operational policies and procedures.

Code of Conduct

It contains a set of binding principles and guidelines for each and every person in the Viscofan Group to guide actions and behaviour within the company and in relation to our shareholders, customers, suppliers and society in general, in accordance with Viscofan's corporate ethics, as well as local, national and international laws and regulations.

One of the functions of the Board of Directors is to ensure the correct application of the Code of Conduct, with the collaboration of the Ethics and Regulatory Compliance Committee, which supervises and monitors compliance with the Code and reports on a recurring basis to the Audit Committee.

Internal regulations

The internal rules governing the functioning of the governing bodies, supplemented by the applicable rules to ensure good corporate governance at the Viscofan Group, are available on the Company's website within the Corporate Governance section, as well as in compulsory publications and registrations, on the website of the CNMV and in the Mercantile Registry of Navarre.

These internal regulations are mainly formed by the regulations of social bodies and committees:

- Regulations of the Board of Directors: These determine the principles of action of the Board of Directors, including an evaluation mechanism, the rules of organisation and operation of the same, the rules of conduct of its members, the duties of the directors and the general principles that must govern its actions. They also govern committees existing within the Board of Directors, their organisational and operational rules, and their remit and powers.
- Audit Committee Regulations and Appointments, Remunerations and Sustainability Committee Regulations: These establish the scope and functions of each Committee, its composition and operation, relations with government bodies and other entities, as well as the possibility of requesting advice.
- Internal code of conduct on matters relating to the securities market: This Code lays down rules of conduct to ensure that the institutional and personal acts of the Viscofan Group's directors and employees strictly comply with current laws and regulations on transparency in the markets and to protect investors' interests.
- Articles of Association: These are the basic rules governing the Company and all its bodies. The articles set out the main features and operating principles of the General Shareholders' Meetings, the Board of Directors and its committees.
- Regulations of the General Shareholders' Meeting: This text lays down the regulations governing the General Meeting of Shareholders to ensure transparency and safeguard shareholders' rights, and their access to Company information. The rules stipulate the formalities of calling, attending, holding and recording General Meetings of Shareholders and of access to prior and General Meeting information by shareholders.

Hence, within the regulatory compliance system, the Viscofan Group has approved procedural policies in the following areas:

Scope	Policy
Good governance	<ul style="list-style-type: none"> • General sustainability policy • Climate change policy • Risk management and control policy • Policy of Respect for Human Rights • Anti-corruption policy • Crime prevention policy • Policy of communication with shareholders, institutional investors, proxy advisors and of economic-financial and non-financial and corporate information • Board remuneration policy • Diversity policy in the composition of the Board of Directors and selection of directors • Policy to encourage shareholders to take part in the General Meeting of Shareholders: attendance fee • Information management procedure • Internal publication procedure • Auditor and verifier relationship selection policy
Commercial	<ul style="list-style-type: none"> • Business practices policy • Policy to outsource commercial services: distributors, agents and others • Export control protocol
Financial and tax resources	<ul style="list-style-type: none"> • Internal control policy for financial and non-financial information • Tax policy • Transfer prices manual • Anti-money laundering and terrorist financing policy
Information and systems	<ul style="list-style-type: none"> • Personal Data Protection Policy • Confidentiality policy • Authorisation policy on computer access and profiles • Password policy • Computer systems and networks management policy • Policy on audiovisual information control • Cybersecurity policy
People	<ul style="list-style-type: none"> • People management policy • Diversity and equal opportunities policy • Talent acquisition policy • New employee integration policy • Training policy • Severance procedure • Authorization policy • Policy on Business Expenses • Travel policy • Knowledge management policy • Conflict of interest management policy
Production	<ul style="list-style-type: none"> • Environmental policy • Occupational health and safety policy • Food Regulation Policy • Food crisis protocol. Product withdrawal • Policy for the management of goods purchases and the arrangement of services • Transport management policy • Code of conduct for suppliers and intermediaries • Corporate management policy • Good practice policy in animal research • Pollution control and reduction policy

Ethics and compliance risk map

As part of the global risk system, Viscofan draws up an ethics and compliance risk map based on the following:

- Identification of risks, especially criminal offences and other non-compliance affecting the legal person
- Grouping in blocks in order to be able to devise common measures to combat groups of crimes and other non-compliances.
- Identification of the conduct in the exercise of which offences and breaches may be committed and the groups that may be involved.
- Association of details of offences and non-compliance for each block, especially those of a criminal nature, in accordance with Spanish regulations as the Group's parent company. However, each Viscofan Group company analyses the applicable regulations in the different countries in which it operates and develops local regulations for compliance where appropriate, informing and reporting them to the Ethics and Regulatory Compliance Committee.
- Identification of the mechanisms for monitoring and detecting crime and other non-compliance, both internal and external. Preventive controls have been identified, differentiating between policies and procedures that address the prevention of the behaviours identified, and specific controls.
- The estimate of the impact and probability, both inherent and residual, of each conduct is represented, obtaining the Viscofan Group's Ethics and Compliance heat map, which helps to guide the management of compliance risks.

The ethics and compliance risk map is reviewed and assessed annually at working meetings of the ethics and compliance committee led by the Group's compliance area. In addition, an annual CLA (Compliance List Assessment) is drawn up, which shows the perception of compliance risks throughout the Group, both by companies and by functional areas. The resulting valuation is provided to the Directorate General and the Audit Committee for oversight.

Ethical channel – Integrity line

The ethics channel is a key element of the system and was modified during the 2023 financial year to adapt it to law 2/2023 of 20 February 2023, regulating the protection of people who report regulatory infractions and in the fight against corruption.

To facilitate supervision of compliance with Viscofan's Code and Ethics and regulations, employees and any person with a legitimate interest can access the Ethical Channel on Viscofan's web page under the Corporate Governance section, on the employee's Intranet or by email to officeofethics@viscofan.com or by post to the Ethics Committee at Viscofan's central offices (Berroa Industrial Park, C/Berroa 15-4 floor, 31192 Tajonar-Navarra, Spain) to notify any sign of conduct that they deem to be a possible risk.

The Ethics and Compliance Committee is the body responsible for commencing, on its own account or at the request of a third party, an investigation on events or practices that may give rise to a situation of risk for the Viscofan Group as a result of a breach of the Viscofan Group's Code of Conduct or prevailing regulations.

The established process that follows completed investigations pursues several objectives:

- Seek redress and assistance to those who may have been affected by non-compliance or irregularities, especially for non-compliance or irregularities of criminal relevance.
- Identify possible improvements in the implementation of the ethics and compliance system so that new measures can be put in place that would have prevented risks from materialising.
- Provide support to the Group's companies and monitor the implementation of the recommendations to ensure the improvements identified.
- Conduct global monitoring of cases. The information sent to the Ethics Committee throughout the company on possible infringements is recorded for a unified monitoring to identify trends and areas for improvement in the compliance system.

Viscofan has a general policy on the internal reporting and whistleblower protection system, which guarantees the right of employees and third parties to communicate information on the breaches provided for therein through an internal reporting channel and determines the obligation to process the communication in accordance with a procedure that meets the due guarantees for whistleblowers and other affected parties. Article 8. Guarantees and protection of the whistleblower establishes the following:

The whistleblower shall have the guarantees provided for by law and in particular:

1. Decide whether he or she would like to make the communication anonymously or non-anonymously.
2. Make the communication in writing and, upon request, in person or by videoconference
3. Indicate an address, e-mail address or safe place to receive the communications that he or she makes or renounce, if applicable, to receive communications.
4. Appear on his or her own initiative or when summoned, being assisted, if necessary and if he or she considers it appropriate and at his or her own expense, by a lawyer he or she appoints.
5. Exercise the rights conferred by personal data protection legislation.
6. Know the status of the processing of his or her complaint and the results of the investigation.

Likewise, persons who communicate or disclose reportable facts are entitled to the protection provided by law. In particular, acts constituting retaliation, including threats of retaliation and attempted retaliation against informants and third parties protected by the regulations in force, are expressly prohibited.

During 2024, the Ethics and Compliance Committee met five times and followed up on eleven communications received through the Ethics Channel/Integrity Line, six of which were accepted for processing, and in five of these cases, breaches of the Group's internal regulations or the principles of the Code of Conduct (not constituting a criminal or administrative offence) were confirmed, following the processing of the corresponding file and its

investigation, the breach of the internal regulations and the Code of Conduct, and the necessary measures were proposed and adopted by the competent bodies.

Promotion of corporate culture. Training and dissemination

This is the first and one of the most important strategies to foster a corporate culture in line with the Group's ethical principles and Code of Conduct to promote the prevention of non-compliance.

Training and dissemination of the corporate culture and compliance system empowers people to proactively do the right thing. On this basis, the Code of Conduct states that executives and managers should emphasise the importance of ethical and compliance-oriented conduct, make it a matter of course in day-to-day business and promote it through personal leadership and training.

Without prejudice to the role of the Ethics and Compliance Committee at corporate level, as the body responsible for the management of the System and the specific training plans it promotes, given the importance of adapting to the needs and local culture of the different countries in which the Group operates, the role of the local ethics and compliance officers is essential. They plan and develop the necessary training and communication actions at local level, with the support and monitoring of the ethics and compliance committee.

In this respect, Viscofan understands that training in human rights is a fundamental tool for raising employees' awareness in this area. The breakdown of the hours of training in this subject is as follows:

Dedicated human rights training	2024			2023		
	Men	Women	Total	Men	Women	Total
Training hours	3,441	1,215	4,656	1,739	846	2,585
% of total training hours	7.08%	5.52%	6.59%	3.10%	3.30%	3.20%

Additionally, in 2024, in order to reinforce awareness and knowledge of regulatory compliance, specific training was provided in different areas:

- Antitrust and money laundering
- Conflict of interest
- Prevention of workplace harassment
- Internal Code of Conduct – Market Abuse

During the year, positions at risk have not been covered by specific training programmes.

The Group's compliance officer and member of the ethics and compliance committee has received specific training for the performance of their duties.

Supplier relationship management

ESRS G1-2

Viscofan expects suppliers to comply with applicable laws and to follow recognised environmental, social and governance standards. The Group also makes a global commitment to its suppliers and establishes relationships with them based on respect and trust, and on the quality of products and services.

As a result of this objective and commitment, Viscofan has implemented outstanding elements in supplier management:

Codes, policies and commitments

Supplier Code of Conduct: approved in 2022 by the Board of Directors, seeks to extend Viscofan's culture to suppliers

of goods or services in terms of compliance with applicable laws and generally accepted standards, ethical behaviour, labour practices, the environment, the legality of goods and raw materials, and respect for the communities in which they operate. The implicit acceptance of the code is included in the Group's general conditions of purchase.

Sustainability Policy: This establishes commitments and actions for the responsible management of the supply chain from the point of view of human rights, respect for the environment and the fight against climate change.

Code of Conduct and Human Rights Policy: Viscofan rejects any type of child labour and, in accordance with this, a commitment similar to that included in our code of ethics is requested from suppliers.

Anti-Corruption Policy that includes the company's commitment to fight against bribery and corruption, and establishes the dealings and commercial relationship with third parties.

Ethical channel Integrity line: It allows the filing of anonymous complaints and is open to third parties so that any supplier or potential supplier can report facts or situations that may be contrary to the code of conduct or current legislation through the channel enabled for this purpose on the corporate website, on its home page, in a separate and easily identifiable section.

Payments: Viscofan does not have a specific supplier payment policy and has no plans to establish one for the time being, as the Group has an established supplier payment practice in all Group companies that promotes the payment of supplier invoices in due time and form regardless of their size. See payment practices and average payment period in section 4.1.3. of this ESRS.

Selection, approval and verification of compliance with the Supplier Code of Conduct

Viscofan has established a supplier approval system that ensures non-discriminatory treatment in the selection processes of suppliers and contractors, while seeking to ensure their compliance with quality, safety and cost criteria.

In particular, the system for suppliers of raw materials and packaging includes a declaration of conformity with their performance commitments, in accordance with internationally accepted ethical principles and human rights.

Moreover, all suppliers of raw materials, packaging and maintenance must approve an internal approval procedure consisting of a verification, either in person or through the completion of a questionnaire. In both cases, among other matters, the following systems are assessed: quality management (ISO 9001, IFS), food safety management in the case of raw material suppliers (FSSC 22000, BRCGS Food Safety, BRCGS Packaging Materials), occupational health and safety management (OHSAS 18001/ISO 45001), environmental management (ISO 14001), energy management (ISO 50001) and human rights management (UN Global Compact, BSCI). In the specific instance of collagen, the acquisition of animal hide (mainly cows) is required. In Europe this must comply with the European regulations of welfare of animals at the time of slaughter.

As part of the 2022-2025 Sustainability Action Plan, a commitment has been made to carry out audits on compliance with the aforementioned Supplier Code of Conduct.

In this regard, within the multi-year incentive plan for the 2022-2024 period for Viscofan's executive directors, managers and other key personnel, the objective has been set to conduct audits on compliance with Viscofan's Supplier Code of Conduct in 2024 on a volume equivalent to 50% of purchases from suppliers of cellulose, collagen skins, cellulose paper and polyamide, a threshold reached by the end of 2024. This target has been extended to 100% by 2030.

Prevention and detection of corruption and bribery

ESRS G1-3

As stated in Principle 10 of the United Nations Global Compact, of which Viscofan is a signatory, "Business should work against corruption in all its forms, including extortion and bribery".

This principle governs at Viscofan, being expressed in the Code of Conduct, and it has been enacted and reinforced in recent years with the approval by the Board of Directors of the Anti-corruption Policy, and the Crime Prevention Policy, and the Prevention of Money Laundering and Terrorist Financing Policy, which, encompassed within the Regulatory Compliance System, demonstrate the Group's commitment to the permanent monitoring and sanctioning of fraudulent acts and conduct and the development of a business culture of ethics and honesty.

The fight against corruption is one of the central elements that defines our principles. In this regard, we are committed to the United Nations Convention against Corruption (UNCAC).

Both the Code of Conduct and these policies are available on the Viscofan website and on the internal intranet and training on them is encouraged.

To avoid any type of corruption, the regulations establish a series of guidelines, and communication and training is encouraged in this area on forbidden procedures that may form the scope of corruption: bribery, extortion, facilitating payments and influence peddling, gifts, business courtesies, donations and sponsorships and relationships with third parties.

In addition, the ethics and compliance committee carries out the more specific management of ethics and compliance risks, including the prevention and detection of corruption and bribery. This management has been described in section 4.1.2.

This Committee is made up of people separated from the management chain and in the event that they have any connection, it is established that they must be outside the matter in question.

The training on the prevention and detection of corruption and bribery has been detailed in the subsection Fostering corporate culture. Training and dissemination of this ESRS.

Further, the global risk committee carries out an analysis of fraud risks, and its different forms are regulated in various policies; and sets specific controls and mechanisms to reduce their likelihood of occurrence. The identified risks are: conflict of interest and internal fraud, private corruption, and fraud and misleading advertising. In particular, the positions most at risk of corruption and bribery are in the areas of sales, purchasing and management. The definition and assessment of these is reviewed, evaluated, and the controls in place in the organisation are identified to reduce the likelihood of their occurrence. The identification and assessment of risks and controls is included in the ethics and compliance risk map, specifically identifying those risks of a criminal nature.



4.1.3. Metrics and targets

ESRS 2 MDR-T

Targets

Supplier Audit in the Supplier Code of Conduct

The United Nations Global Compact, of which Viscofan is a signatory member, is committed to SDG 12. Responsible consumption and production. A commitment that Viscofan has voluntarily undertaken on the basis of the Supplier Code of Conduct, establishing a supplier audit target.

The objective is to audit 100% of the suppliers of the main raw materials (cellulose, collagen skins, abaca paper, polyamides), which represent around 50% of total purchases, by 2030. This is a target set for 2022, the year in which the Board of Directors approves the Supplier Code of Conduct.

In addition, and linked to the Long Term Incentive Plan for Executive Directors, Management and other key personnel, an intermediate target of this audit objective of 50% of suppliers has been set in 2024.

The development of this target is as follows

	2030 Commitment	2024 Commitment	2024	2023	2022
Percentage of suppliers audited	100%	50%	83%	45%	0%

Zero cases of corruption or bribery

ESRS G1-4

It should be reported that during the 2024 financial year there have been no acts that have been the subject of relevant legal actions relating to breaches of anti-corruption and anti-bribery laws, nor have any actions been taken to address breaches of anti-corruption and anti-bribery procedures and standards.

destination of the donation must be clear and the reason and purpose of the donation must be justified and documented. Quasi-donations, i.e. donations that appear to be compensation for a service, but are substantially higher than the value of the service, are prohibited as they imply a violation of the principle of transparency.

The Code of Conduct expressly prohibits the following types of donations:

- To individuals and for-profit organisations,
- Payable into private accounts,
- Organisations whose objectives are incompatible with Viscofan's corporate principles, or
- That may damage Viscofan's reputation.

Political influence and lobbying activities

ESRS G1-5

The Viscofan Group's Code of Conduct, within its guidelines, establishes that the relationship with public institutions must be guided by institutional respect, communication, transparency and legality. Also, that Viscofan does not make political contributions (donations to politicians, political parties or political organisations) or engage in political influence and lobbying. For its part, as a responsible member of society, Viscofan makes monetary donations or donations of its products for educational and scientific, artistic and cultural purposes, and for social and humanitarian projects. However, all donations must be transparent. This means, among other things, that the identity of the recipient and the

For their part, all sponsorships must be transparent, in accordance with a written agreement, for legitimate commercial purposes and in accordance with the consideration offered by the event organiser. Whereas contributions must not be promised, offered or made to secure an unjustified competitive advantage for Viscofan or for other improper purposes, or that may damage our reputation.

This activity is regulated by the Code of Conduct, the basic regulation of the Viscofan Group's regulatory compliance system. In this respect, the ethics and compliance committee is the body responsible for overseeing and supervising these activities, and the Audit Committee of the Board of Directors oversees the effectiveness and functioning of the ethics and compliance committee.

No specific financial policy contributions were made by Viscofan during 2024. Viscofan is also registered in the EU Transparency Register under the registration name Viscofan S.A. and identification number 634007348792-32.

No member of the Board of Management was appointed during 2024 who has held a comparable position in the civil service in the two years preceding such appointment in the current reporting period.

Payment practices

ESRS G1-6

Viscofan does not have a specific supplier payment policy; however, based on its commitment to this stakeholder group, all Group companies seek to pay supplier invoices in due time and form regardless of their size and category. In this respect, the usual payment practice is 45 days, which is applied to most of the payments made, with the average payment period for the Group being 34 days.³

This deadline is in line with Spanish law 15/2010, of 5 July, amending Law 3/2004, of 29 December, which establishes measures to combat late payment in commercial transactions. This regulation applies to Viscofan's Spanish companies whose average payment period in 2024 was less than the 60 days set out in article 4 of the law. See note 14 of the consolidated annual report for information on the average term of payments made to suppliers in commercial operations resident in Spain.

Viscofan does not have any relevant pending legal proceedings based on delays in payment. The Viscofan Group's legal proceedings are described in Note 13.3. Contingent assets and liabilities in the notes to the consolidated financial statements.



³ Average time it takes for the company to pay an invoice from the date on which the contractual or legal payment term begins to count, in days.

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Other supplementary
information to comply
with Law 11/2018
of 28 December on
non-financial information
and diversity



Part of the information required by Law 11/2018 of 28 December on non-financial reporting and diversity has been reported throughout the sustainability report in accordance with Delegated Regulation (EU) 2023/2772 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards.

However, there is other information not included or partially included in the sustainability report that Viscofan reports below:

Information on social and staff-related issues:

Hiring and professional category

2024				2023		
Average workforce. Type of contract	Men	Women	TOTAL	Men	Women	Total
Permanent contract	3,459	1,373	4,832	3,500	1,365	4,864
Temporary contract	215	116	331	298	184	482
TOTAL	3,674	1,489	5,163	3,797	1,549	5,346

2024				2023		
Average workforce. Type of working day	Men	Women	TOTAL	Men	Women	Total
Full time contract	3,621	1,460	5,081	3,748	1,521	5,269
Part time contract	53	29	82	50	28	78
TOTAL	3,674	1,489	5,163	3,798	1,549	5,346

2024				2023		
Average workforce by category	Men	Women	TOTAL	Men	Women	TOTAL
Management	91	26	117	101	29	130
Technicians and department heads	940	382	1,322	944	360	1,304
Administrative personnel	61	180	241	54	187	241
Specialised personnel	681	216	897	692	224	916
Workers	1,901	685	2,586	2,007	749	2,756
TOTAL	3,674	1,489	5,163	3,798	1,549	5,346

2024				2023		
Average workforce by age and type of contract	Permanent contract	Temporary contract	TOTAL	Temporary contract	Temporary contract	TOTAL
17 - 34 years	1,380	178	1,558	1,407	275	1,682
35 - 50 years	2,157	117	2,274	2,134	163	2,297
More than 50 years	1,295	36	1,331	1,323	44	1,367
TOTAL	4,832	331	5,163	4,864	482	5,346

2024				2023		
Average workforce by category and type of contract	Permanent contract	Temporary contract	TOTAL	Permanent contract	Temporary contract	TOTAL
Management	115	2	117	129	1	130
Technicians and department heads	1,288	34	1,322	1,247	57	1,304
Administrative personnel	231	10	241	217	23	240
Specialised personnel	839	58	897	829	87	916
Workers	2,359	227	2,586	2,442	314	2,756
TOTAL	4,832	331	5,163	4,864	482	5,346

2024			
Average workforce by category and part-time	Men	Women	TOTAL
Management	0	0	0
Technicians and department heads	12	9	21
Administrative personnel	0	8	8
Specialised personnel	16	6	22
Workers	25	6	31
TOTAL	53	29	82

2023		
Men	Women	TOTAL
2	0	2
13	6	19
1	8	9
15	6	21
20	7	27
50	28	78

2024			
Average workforce by age and part-time	Men	Women	TOTAL
17 - 34 years	13	5	18
35 - 50 years	10	10	20
More than 50 years	30	14	44
TOTAL	53	29	82

2023		
Men	Women	TOTAL
11	7	18
12	8	20
27	13	40
50	28	78

Dismissals

2024			
Average workforce layoffs	Men	Women	TOTAL
Management	1	1	2
Technicians and department heads	20	7	27
Administrative personnel	1	4	5
Specialised personnel	10	4	14
Workers	60	12	72
TOTAL	92	28	120

2023		
Men	Women	TOTAL
1	0	1
12	3	15
1	3	5
11	4	15
65	34	99
91	44	135

2024			
Average workforce layoffs	Men	Women	TOTAL
17 - 34 years	37	11	48
35 - 50 years	34	11	45
More than 50 years	21	6	27
TOTAL	92	28	120

2023		
Men	Women	TOTAL
49	16	66
27	21	48
15	6	21
91	44	135

Training hours by professional category

2024			
Training. Number of hours by category	Men	Women	Total
Management	2,542	841	3,383
Technicians and department heads	18,830	8,705	27,535
Administrative personnel	1,049	1,576	2,624
Specialised personnel	8,115	3,901	12,017
Workers	18,078	6,967	25,044
TOTAL	48,614	21,990	70,604

2023		
Men	Women	Total
1,626	1,106	2,732
19,136	8,978	28,114
1,064	3,955	5,019
11,300	6,109	17,410
22,691	5,835	28,526
55,817	25,984	81,801

Remuneration

Average remuneration (€)	2024	2023
Management *	142,201	147,163
Technicians and department heads	53,531	51,965
Administrative personnel	36,239	35,647
Specialised personnel	30,474	29,717
Workers	29,687	29,092
TOTAL	37,882	37,002

Average remuneration (€)	2024	2023
17 - 34 years	29,278	28,490
35 - 50 years	35,327	34,019
More than 50 years	54,003	54,576
TOTAL	37,882	37,002

Average remuneration (€)	2024	2023
Men	40,598	40,125
Women	31,293	29,545
TOTAL	37,882	37,002

Note: Excludes the remuneration of executive directors in both years

The individualised remuneration of all members of the Board of Directors and executives is detailed in note 22 of the consolidated financial statements.

Moreover, the Group makes contributions to various different defined benefit plans. The relevant information is in note 13 of the consolidated annual accounts.

Accessibility of sites

With regard to the accessibility of people with disabilities, Viscofan does not have a global standard that regulates the accessibility of disabled people at its offices and other sites. However, the company complies with all applicable local regulations and building codes in the countries in which it operates.

Company information

The company's commitments to sustainable development

In its Sustainability policy, the Viscofan Group has a firm commitment to Human Rights, undertaking to carry out its activities in a responsible manner and to generate positive impacts on the communities in which it operates. The human rights principles and standards reflected in the 2030 Agenda for Sustainable Development encompass a wide range of social, economic and environmental objectives. Out of all of these, Viscofan has identified the Sustainable Development Goals (SDGs) where the company can generate the greatest positive impact, and to do so it has taken into account both the nature of its business activity and the corporate mission and vision.

- SDG 2 Zero Hunger:
- SDG 3 Good health and well-being
- SDG 6 Clean water and sanitation
- SDG 8 Decent work and economic growth
- SDG 12 Responsible consumption and production
- SDG 13 Climate action

In addition, in 2024, Viscofan implemented different social initiatives through the help of different bodies and institutions in the communities in which it is present, while collaborating with institutions or research centres.

Through projects to support local communities in various countries in which Viscofan is present, 275 thousand euros have been allocated in the year (228 thousand euros in 2023).

As part of these projects, Viscofan contributes with donations to the improvement of health facilities and equipment in hospitals, centres for the elderly, paediatric centres and centres for the care of disabled people in various countries. In addition, donations are made to various NGOs to support local projects and micro-projects in the fight against hunger and poverty.

Some of the most prominent local projects in 2024 are:

- DalecandELA Association: Viscofan collaborates with this non-profit association with the aim of giving visibility to this disease in order to promote research into solutions and therapies against ALS.
- Action Against Hunger: In 2024, Viscofan collaborated with the project to help the victims of the Dana, an atmospheric phenomenon that caused devastating effects in several municipalities in the Valencian Community (Spain). In addition to collaborating with the cause through a financial donation, Viscofan sent to the affected areas material such as gloves and masks, essential in the tasks of cleaning the stagnant mud to avoid infections that could trigger new pandemics.
- Escola e Cidadania Association (Brazil): Viscofan collaborated last year with the social project Futebol Escola e Cidadania with the aim of promoting sport and culture, as well as promoting entry into the labour market.

Responsible taxation

Viscofan is aware of the social impact its activity generates: from direct or indirect employment generated by its implementations, to the financial benefit that it obtains from its activities at each of the different companies at which it operates (note 6 of Viscofan S.A.'s financial statements) for which it contributes through the corresponding taxes. In 2024, accrued income tax amounted to €49.1 million as a result of the Group's business activities in different countries. Additional information on taxes is detailed in note 17 to the consolidated financial statements. On the other hand, income associated with capital subsidies is detailed in note 19.2 of the consolidated financial statements.

As a result of the relationships described in the previous point, joint projects have arisen with which we have collaborated and for which we have received financial support through grants and loans from official bodies. In this vein, at 31 December, the financial statements included loans with the CDTI and the Ministry of Economy and Competitiveness in Spain, amounting to €15.5 million (note 15 to the consolidated financial statements).

Appendix I. Traceability table with Law 11/2018

Statement of Non-Financial Information, Table of Contents of Law 11/2018			
Scope	General disclosures	Standard used	Report section
Business model	Brief description of the Group's business model including:	ESRS 2 SBM-1	1.1.ESRS 2. General Disclosures
	Business environment		<u>Strategy, business model and value chain</u>
	Organisation and structure		
	Markets in which it operates		1.1.ESRS 2. General Disclosures <u>Our markets</u>
	Organisational objectives and strategies	ESRS 2 SBM-1, Strategy, business model and value chain	1.1.ESRS 2. General Disclosures <u>Strategy, business model and value chain</u>
Policies	Main factors and trends that may affect future developments	ESRS 2 SBM-1, Basis and Scope	1.1.ESRS 2. General Disclosures <u>Basis and scope</u>
	Policies that the group applies, including: 1) The due diligence procedures applied in accordance with identification, assessment, prevention and mitigation of material risks and impacts. 2) The verification and control procedures, as well as and the measures that have been adopted.	Throughout the report within each section (MDR-P)	2.1. ESRS E1. Climate Change
			<u>Policies related to climate change mitigation and adaptation</u>
			2.2. ESRS E2. Pollution
			<u>Pollution-related policies</u>
			2.3. ESRS E5. Resource use and circular economy
			<u>Policies related to resource use and circular economy</u>
			3.1. ESRS S1. Own workforce
			<u>Policies related to own workforce</u>
			3.2. ESRS S4. Consumers and end-users
			<u>Policies related to consumers and end-users</u>
Main non-financial risks	The main risks related to these matters on the Group's activities, including, where relevant and proportionate, its business relationships, products or services that could have negative effects in such areas and	ESRS 2 IRO-1	1.1.ESRS 2. General Disclosures
	- How the Group manages those risks,	ESRS 2 IRO-2	<u>Information on the materiality assessment process</u>
	- explaining the procedures used to detect and assess them in accordance with national, European and international reference frameworks for each issue.		
	- Information should be included on the impacts that have been detected, providing a breakdown of them, in particular on the main risks in the short, medium and long term.		
Environmental dimension			

Environmental management	1. Current and foreseeable effects of company activities on environment issues and, where appropriate, health and safety.	ESRS 2 IRO-1 ESRS 2 IRO-2 ESRS E1-1, ESRS 2 MDR-P	Double materiality section and each IRO-1 in thematic environmental standards
	• Environmental assessment or certification procedures;	ESRS E2-1, ESRS 2 MDR-P	
	• Resources dedicated to the prevention of environmental risks;	ESRS E5-1, ESRS 2 MDR-P	
	• Application of the precautionary principle;	ESRS E2-1, ESRS 2 MDR-P	2.2.ESRS E2. Pollution
	• Provisions and guarantees for environmental risks.	ESRS 2 IRO-1 ESRS 2 IRO-2 ESRS E1-3, ESRS 2 MDR-A	Quantification of IROs in Climate Risk Analysis, MDR-A.
		ESRS E2-2, ESRS 2 MDR-A	
		ESRS E5-2, ESRS 2 MDR-A	
Contamination	Measures to prevent, reduce or repair the carbon emissions that seriously affect the environment, taking into account any form of specific atmospheric pollution from an activity, including noise and light pollution.	ESRS E1-3, ESRS 2 MDR-A	2.1.ESRS E1. Climate Change
		ESRS E2-4, ESRS E2-5	Actions and resources in relation to climate change policies
			2.2.ESRS E2. Contamination
			Air, water and soil pollution and substances
Circular economy, waste prevention and management	Measures for waste prevention, recycling, reuse, other forms of recovery and disposal. Action to combat food waste.	ESRS E5-5	2.3.ESRS E5. Resource use and circular economy
		ESRS E5-2, ESRS 2 MDR-A	Resource outflows
			Actions and resources related to resource use and circular economy
Sustainable use of resources	Water consumption and water supply in accordance with local limitations.	ESRS E5-4, ESRS 2 SBM-1 paragraph 42	2.3.ESRS E5. Resource use and circular economy
	The consumption of raw materials and the measures adopted to improve efficiency of use.	ESRS E5. Exact breakdown of raw material consumption	Resource inflows
	Energy: Direct and indirect consumption; measures taken to improve energy efficiency. use of renewable energy.	ESRS E1-5	1.1.ESRS 2. General Disclosures
		ESRS E1-1	Classified and sensitive information
			2.1.ESRS E1. Climate Change
Climate change	The significant elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces	ESRS E1-6	Energy consumption and mix
	The measures adopted to adapt to the consequences of climate change.	ESRS E1-1,	Transition plan for climate change mitigation
	Voluntarily set medium- and long-term reduction targets to reduce GHG emissions; and means implemented for this purpose.	ESRS E1-4, ESRS 2 MDR-T	2.1.ESRS E1. Climate Change
			Targets related to climate change mitigation and adaptation
Protection of biodiversity	Measures taken to protect or restore biodiversity	Non material	Non material
	Impacts caused by activities or operations in protected areas	Non material	Non material
Social and personal dimension			

Employment	Total number and distribution of employees by country, gender, age, country and professional classification	GRI 2-7	5. Other complementary information to comply with Law 11/2018
		GRI 405-1	
		ESRS S1-6	3.1. ESRS S1. Own workforce <u>Characteristics of the Company's employees</u>
	Total number and distribution of employment contract types	GRI 2-7	5. Other complementary information to comply with Law 11/2018
	Annual average of types of employment contracts (permanent, temporary and part-time) by gender, age and occupational classification	GRI 2-7	5. Other complementary information to comply with Law 11/2018
		GRI 3-3	5. Other complementary information to comply with Law 11/2018
	Number of dismissals by gender, age and professional classification	ESRS S1-6 Characteristics of the Company's employees	3.1. ESRS S1. Own workforce <u>Characteristics of the Company's employees</u>
		GRI 3-3	5. Other complementary information to comply with Law 11/2018
		GRI 405-2	3.1. ESRS S1. Own workforce <u>Compensation metrics (pay gap and total compensation)</u>
	Salary gap	S1-16	5. Other complementary information to comply with Law 11/2018
		GRI 3-3	5. Other complementary information to comply with Law 11/2018
		GRI 405-2	5. Other complementary information to comply with Law 11/2018
	Average remuneration and its evolution disaggregated by sex, age and professional classification or of equal value	GRI 3-3	5. Other complementary information to comply with Law 11/2018
		GRI 405-2	
		GRI 3-3	5. Other complementary information to comply with Law 11/2018
	The average remuneration of directors and executives, including variable remuneration, allowances, severance payments, payment to long-term savings provisions and any other benefit broken down by gender	GRI 2-20	
		GRI 405-2	
		ESRS S1-1, ESRS 2 MDR-P	3.1. ESRS S1. Own workforce <u>Policies related to own workforce</u>
	Implementing disconnection policies		3.1. ESRS S1. Own workforce <u>Persons with disabilities</u>
	Disabled employees	S1-12	

Work organisation	Organisation of working time	S1-3	3.1. ESRS S1. Own workforce <u>Processes to remediate negative impacts and channels for own workers to raise concerns</u>
	Number of hours of absenteeism	ESRS S1-14	3.1. ESRS S1. Own workforce <u>Health and safety metrics</u>
	Measures aimed at facilitating work-life balance by encouraging co-responsibility of both parents	GRI 3-3	5. Other complementary information to comply with Law 11/2018
		GRI 401-3	
		S1-15 Phased in	<u>3.1. ESRS S1. Own workforce</u> <u>Work-life balance metrics</u>
Health and safety	Occupational health and safety conditions	ESRS S1-4, ESRS 2 MDR-A	3.1. ESRS S1. Own workforce <u>Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions</u>
	Occupational accidents (frequency and seriousness) broken down by gender	ESRS S1-14	3.1. ESRS S1. Own workforce <u>Health and safety metrics</u>
	Occupational diseases, broken down by gender	ESRS S1-14	3.1. ESRS S1. Own workforce <u>Health and safety metrics</u>
Social relationships	Organisation of social dialogue, including procedures for informing, consulting and negotiating with staff	ESRS S1-2	3.1. ESRS S1. Own workforce <u>Processes for engaging with own workforce and workers' representatives about impacts</u>
	Mechanisms and procedures that the company has in place to promote the participation of workers in the management of the company, in terms of information, consultation and participation	ESRS S1-2	3.1. ESRS S1. Own workforce <u>Processes for engaging with own workforce and workers' representatives about impacts</u>
	Percentage of employees covered by a collective bargaining agreement by country	ESRS S1-8	3.1. ESRS S1. Own workforce <u>Collective bargaining coverage and social dialogue</u>
	The review of collective bargaining agreements, especially in the area of occupational health and safety	ESRS S1-2	3.1. ESRS S1. Own workforce
		ESRS S1-14	<u>Processes for engaging with own workforce and workers' representatives about impacts</u>
			3.1. ESRS S1. Own workforce <u>Health and safety metrics</u>
Training	The policies implemented in the area of training.	ESRS S1-1	3.1. ESRS S1. Own workforce <u>Policies related to own workforce</u>
	Total hours of training by professional category	GRI 404-1	5. Other complementary information to comply with Law 11/2018
Accessibility	Universal accessibility for persons with disabilities	GRI 3-3	5. Other complementary information to comply with Law 11/2018

Equality	Measures adopted to promote equal treatment and opportunities between men and women.	ESRS S1-5, ESRS 2 MDR-T	3.1. ESRS S1. Own workforce <u>Diversity. Increasing the percentage of women in management positions</u>
	Equality plans.	ESRS S1-1	3.1. ESRS S1. Own workforce <u>Policies related to own workforce</u>
	Measures adopted to promote employment.	ESRS S1-1	3.1. ESRS S1. Own workforce <u>Employees</u>
			<u>Long-term loyalty and commitment</u>
			<u>Social protection, economic stability and personal balance</u>
	Protocols to counter sexual harassment due to gender.	ESRS S1-17	3.1. ESRS S1. Own workforce
		ESRS G1-1, ESRS 2 IRO-1	<u>Incidents, complaints and severe human rights impacts</u>
			4.1. ESRS G1. Business Conduct <u>Ethical channel – Integrity line</u>
			<u>Promotion of corporate culture. Training and dissemination</u>
Information on respect for human rights	The integration and universal accessibility of persons with disabilities.	GRI 3-3	5. Other complementary information to comply with Law 11/2018
	Policy against any type of discrimination and, where appropriate, to manage diversity.	ESRS S1-1	3.1. ESRS S1. Own workforce <u>Policies related to own workforce</u>
Human rights	Implementation of human rights due diligence procedures; prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and redress possible abuses committed	ESRS S1-3	3.1. ESRS S1. Own workforce <u>Processes to remediate negative impacts and channels for own workers to raise concerns</u>
	Reports on cases of human rights violations	GRI 406-1	5. Other complementary information to comply with Law 11/2018
	Promotion and enforcement of the provisions contained in the International Labour Organization's core conventions on freedom of association and the right to collective bargaining;	ESRS S1-1	3.1. ESRS S1. Own workforce
	Elimination of discrimination in respect of employment and occupation	ESRS S1-1, ESRS 2 MDR-P	<u>Employees</u>
			<u>Policies related to own workforce</u>
	The elimination of forced or compulsory labour	ESRS S1-1, ESRS 2 MDR-P	3.1. ESRS S1. Own workforce <u>Policies related to own workforce</u>
	The effective abolition of child labour	ESRS S1-1, ESRS 2 MDR-P	3.1. ESRS S1. Own workforce <u>Policies related to own workforce</u>

Information related to the fight against corruption and bribery		
Corruption and bribery	Measures adopted to prevent corruption and bribery	G1-3
	Measures taken to combat money laundering	
	Contributions to foundations and non-profit organisations	GRI 2-28 GRI 201-1
Company information		
Commitment of the company to sustainable development	Impact of the company's activities on employment and local development	ESRS 2 IRO-1, ESRS 2 IRO-2
	The impact of the company's activity on local populations and the territory	
	Relationships with local community representatives and dialogue systems with them	ESRS 2 SBM-2
	Association or sponsorship actions	GRI 3-3 GRI 201-1
Subcontractors and suppliers	Inclusion of social, gender equality and environmental issues in procurement policy	ESRS G1-2
	Consideration of social and environmental responsibility in relations with suppliers and subcontractors	ESRS G1-2
		ESRS 2 SBM-3, ESRS E2-6 (phased in)
	Supervision and audit systems and their outcome	ESRS S1-14
Consumers	Health and safety measures for customers	GRI 3-3
	Grievance systems, complaints received and their resolution	ESRS S4-3
Tax information	Profits obtained by country	GRI 3-3
	Income tax paid	GRI 207-4
	Public grants received	GRI 201-4
Other indicators		
Dissemination of Viscofan's taxonomy	Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 and its delegated acts	2.4. European taxonomy of environmentally sustainable economic activities