

Audit committee activity report for the financial year 2024

The board of directors of Ercros, S.A. ("Ercros" or "the Company"), held on February 25, 1997, approved the creation of an audit committee, whose functions, composition and operation comply with the provisions of article 529 *quarterdecies* of the Spanish Corporate Enterprises Act ("CEA"), article 34 of the articles of association, article 16 of the regulations of the board of directors, and with its own regulations, approved by the board of directors on February 22, 2019 and amended on December 28, 2020, on the occasion of the review of the recommendations of the code of good governance approved by the National Securities Market Commission in June 2020.

1. Composition

In accordance with the aforementioned provisions, the audit committee shall consist exclusively of non-executive directors, with a minimum of three and a maximum of five members, appointed by the board of directors, the majority of whom shall be independent directors, including its chairman, who shall be elected for a term of four years. he may be re-elected once a period of one year has elapsed since his dismissal. The members of the committee as a whole, and in particular its chairperson, shall be appointed on the basis of their knowledge and experience in accounting, auditing or risk management, both financial and non-financial.

At present, the composition of the audit committee is as follows:

- President: Ms. Carme Moragues Josa, independent director.
- Members: Ms. Lourdes Vega Fernández, independent director; and Mr. Laureano Roldán Aguilar, director of the "other external directors" typology.

Mr. Daniel Ripley Soria, secretary of the board of directors of Ercros, acts as secretary of said committee.

Mr. Xavier Álvarez García – director of the internal audit service – attends the meetings of the audit committee as a guest. This service depends organically on the aforementioned committee.

2. Operation

The audit committee shall meet at least four times a year and shall operate in accordance with the rules laid down in the rules of procedure of the audit committee. The call will be made at the request of the president of the committee or at the request of at least two members of the committee and employees of the Company may be invited. The system of deliberation and adoption of resolutions of the audit committee is governed by what is established for the board of directors.

3. Functions

The main functions of the audit committee, set out in the regulations governing them, are as follows:

- a) To inform the general meeting about the issues that arise within its competence in matters within its competence.
- b) In relation to information and internal control systems:
 - (i) Supervise the effectiveness of the Company's internal control, internal audit and risk management systems, including tax risks, as well as discuss with the auditor the significant weaknesses of the internal control system detected in the course of the audit.
 - (ii) To ensure the independence of the unit that assumes the internal audit function; to propose the selection, appointment, re-election and dismissal of the head of the internal audit service; propose the budget for this service; approve or propose approval to the board of the guidance and annual work plan of the internal audit, ensuring that its activity is primarily focused on risks relevant to the Company, including reputational risks; report directly and periodically on the execution of its activities, including possible incidents and limitations to the scope that may arise in the development of its activities; verify that senior management takes into account the conclusions and recommendations of its reports; and submit an activity report at the end of each exercise.
 - (iii) Supervise and evaluate the process of preparation and the integrity of financial and non-financial information in coordination with the appointments, remuneration, sustainability and corporate social responsibility committee, as well as the financial and non-financial risk control and management systems relating to the Company and, where applicable, the Group –including operational ones, technological, legal, social, environmental, political and reputational or corruption-related–, reviewing compliance with regulatory requirements, the adequate delimitation of the consolidation perimeter and the correct application of accounting criteria.
 - (iv) To establish and supervise a mechanism that allows employees to report, confidentially and, if possible and considered appropriate, anonymously, irregularities of potential significance, especially financial and accounting, or of any other nature, related to the Company, that they notice within the Company or its Group.
 - (v) Generally, ensure that established internal control policies and systems are effectively implemented in practice.
- c) In relation to the auditor:
 - (i) To submit to the board of directors the proposals for the selection, appointment, re-election and replacement of the auditor, as well as the conditions of his or her hiring

and, in the event of his or her resignation, to examine the circumstances that have motivated it.

- (ii) Regularly obtain from the auditor information on the audit plan and its execution.
- (iii) In the event of the resignation of the auditor, examine the circumstances that would have motivated it.
- (iv) To preserve the independence of the statutory auditor in the exercise of his or her duties and to ensure that the remuneration for his or her work does not compromise his or her quality or independence.
- (v) To establish the appropriate relations with the auditor to receive information on those matters that may jeopardise the independence of the auditor, for examination by the committee, and any other related to the process of carrying out the audit of accounts, as well as those other communications provided for in the legislation on auditing of accounts and in the auditing standards. In any case, the audit committee must receive annually from the auditor the declaration of its independence in relation to the entity or entities related to it, directly or indirectly, as well as the information on the additional services of any kind provided and the corresponding fees received from these entities by the aforementioned auditor or by the persons or entities related to it. in accordance with the provisions of the legislation on auditing of accounts.
- (vi) Supervise that the Company communicates through the National Securities Market Commission ("CNMV") the change of auditor and accompanies it with a statement on the possible existence of disagreements with the outgoing auditor and, if any, their content.
- (vii) Ensure that the auditor holds an annual meeting with the plenary of the board of directors to inform them of the work carried out and the evolution of the Company's accounting and risk situation.
- (viii) Ensure that the Company and the statutory auditor comply with the rules in force on the provision of services other than auditing, the limits on the concentration of the auditor's business and, in general, the other rules on auditors' independence.
- (ix) Issue annually, prior to the issuance of the audit report, a report in which an opinion on the independence of the auditor will be expressed. This report must contain, in any case, the assessment of the provision of the additional services referred to in the previous section, considered individually and as a whole, other than statutory auditing and in relation to the independence regime or the regulations governing auditing.

The audit committee shall inform the board, prior to its adoption, of decisions on the following matters:

- a) Periodic public financial information.
- b) The creation or acquisition of shares in special purpose entities or entities domiciled in countries or territories that are considered tax havens, as well as any other transactions or

operations of a similar nature that, due to their complexity, could undermine the transparency of the Group.

- c) Transactions with related parties.

4. Works carried out during the 2024 financial year

Throughout 2024, the audit committee held six meetings, which were attended by all its members.

Internal audit work was followed up at all meetings of the audit committee, as well as monitoring of the effectiveness of the internal control system of financial reporting.

Additionally:

- At the meeting of January 26, 2024, the committee approved the activity report and the related-party transactions report for the 2023 financial year.
- In the session of February 23, 2024, compliance with the financing ratios was analysed.
- In the sessions of February 23, 2024, April 24, 2024, July 26, 2024, and October 31, 2024, the monitoring of various contracted services included in other operating expenses, as well as the provisions of the liabilities of the balance sheet, was carried out.
- In the sessions of February 23, 2024, and October 31, 2024, the gross operating results (ebitda) by factories were analysed.
- In relation to the complaints received in the Company's ethical channel:
 - (i) In the session of January 26, 2024, an analysis of a complaint was carried out in relation to the selection process and access of employees at the Sabiñánigo factory.
 - (ii) In the session of February 23, 2024, it was reported on: (a) a complaint about alleged irregularities in the mechanical maintenance of the Vila-seca I factory; (b) the inadmissibility of a complaint in relation to an alleged case of discrimination due to the impossibility of access to the control room of the Cerdanyola factory; and (c) the inadmissibility of a complaint in relation to an alleged lack of criteria in relation to the possibility of teleworking.
 - (iii) In the session of April 24, 2024, it was reported that a complaint was inadmissible, in relation to an alleged case of interpersonal conflict between the head of maintenance and a specialist in charge of the Cerdanyola factory.
 - (iv) At the session of July 26, 2024, it was reported on: (a) a complaint about the sale of products to Israel by the Almussafes factory; (b) the conduct of a worker at the Almussafes factory; and (c) an anonymous complaint about contaminated land in Cartagena.

- (v) In the session of October 31, 2024, it was reported that unethical behaviour was inadmissible at the Vila-seca I factory.
- (vi) In the session of December 20, 2024, it was reported that unethical behaviour was inadmissible at the Cerdanyola factory.
- At the meeting of July 26, 2024, the audit committee reported favourably to the board of directors on the modifications to the Company's anti-corruption and crime prevention policy.
- At the meeting of July 26, 2024, the audit committee reported favourably to the board of directors on the modifications to the Company's criminal compliance policy.
- At the meeting of October 31, 2024, the audit committee approved the updated regulations of the Company's compliance committee.
- At the meeting of October 31, 2024, the audit committee approved the Company's conflicts of interest procedure.
- At the meeting held on December 20, 2024, the audit committee reported favourably to the board of directors on the policy of the Company's internal control for financial, sustainability and corporate reporting system ("ICSFCRS").
- In the session of December 20, 2024, a presentation of the risk maps of each of the businesses and the financial impacts derived from risks and opportunities associated with climate change was made.

The audit committee, through its chairman, has informed the board of directors of the development of the sessions held.

a) Annual accounts and management report of the Company and the consolidated Group

The audit committee, at its meeting on February 23, 2024, analysed and reported favourably on the annual accounts and management report of the Company and its consolidated Group, corresponding to the year ended December 31, 2023, prior to their formulation by the board of directors. held on the same day.

At the same meeting of the audit committee, the external auditor – Ernst & Young, S.L. ("E&Y") – presented the draft audit reports of the annual accounts of Ercros, S.A. and the annual accounts of the consolidated Group.

Finally, the ordinary general meeting of Ercros shareholders held on 28 June 2024 approved the aforementioned annual accounts and management reports.

b) Consolidated interim periodic public information

The audit committee reported favourably to the board of directors on the financial information for the 2024 financial year that, due to its status as a listed company, Ercros must make public periodically, ensuring that the interim summary consolidated financial statements are prepared following the same presentation bases and valuation rules as the consolidated annual accounts.

In this regard, at the meeting held on April 24, 2024, the audit committee analysed and reported favourably on the results of Ercros and its subsidiaries, corresponding to the three-month period ended March 31, 2024, prior to their approval by the board of directors. held on the same day.

At the meeting of July 26, 2024, the committee analysed and reported favourably on the financial statements of Ercros and subsidiaries and the consolidated half-yearly financial report, corresponding to the six-month period ended June 30, 2024, prior to their approval by the board of directors. held on the same day.

At the meeting of October 31, 2024, it analysed and reported favourably on the results of Ercros and its subsidiaries for the nine-month period ended September 30, 2024, prior to the approval of the same by the board of directors, held on the same day.

c) Work of the internal audit service

At the session on January 26, 2024, the director of the internal audit service reported on the progress of the audit in relation to the internal control of financial reporting systems ("ICFRS").

At the session of April 24, 2024, the director of the internal audit service reported on: (i) the conclusions of the internal audit report on the Vila-seca 1 factory; (ii) in relation to the internal control of financial reporting system ("ICFRS"); and (iii) in relation to travel, representation and business meeting expenses corresponding to the 2023 financial year.

At the session of July 26, 2024, the director of the internal audit service reported on: (i) the conclusions of the internal audit report on the Aranjuez factory; and (ii) the conclusions of the internal audit report on the Cerdanyola factory.

At the meeting on October 31, 2024, the director of the internal audit service reported on: (i) the evolution of the audit plan in relation to the inventory count; and (ii) on the auditor's report in relation to the purchases and contracting of services in a corporation.

At the session of December 20, 2024, the director of the internal audit service presented: (i) a summary of the audit report in relation to the Tortosa factory; and (ii) a summary of the audit report in relation to the Vila-seca II factory.

At the same meeting, the director of the internal audit service presented the internal audit service's activity report for the financial year 2024 and the internal audit plan for the financial year 2025.

d) Compliance committee

At the session of July 26, 2024, the director of the internal audit service, as a member of the compliance committee, made a presentation on the status of the compliance committee's actions.

Finally, at the meeting held on December 20, 2024, the members of this committee presented the report of the compliance committee for the 2024 financial year and the activity plan for the 2025 financial year.

e) External auditor

At the meeting of January 26, 2024, the representatives of the external auditor presented the declaration of their independence to the committee, in accordance with the provisions of article 529.4 *quarterdecies* of the CEA.

In relation to this report, the audit committee in turn issued – prior to the issuance of the audit report – a report in which it expresses its opinion on the independence of the external auditor. This report concludes that the services provided by E&Y to the Company and the Group do not compromise, to the best of its knowledge, the independence of the aforementioned auditing company.

At the meeting of February 23, 2024, the representatives of the external auditor, E&Y, presented to the committee the draft audit reports of the annual accounts of the individual company and the consolidated group as of December 31, 2023.

At the meeting held on October 31, 2024, the representatives of the external auditor, PwC, presented the Company's audit work plan on the Company's individual annual accounts and the Group's consolidated annual accounts for 2024.

f) Cybersecurity Report

At the meeting on July 26, 2024, the director of the internal audit service informed the members of the committee in detail of the results of the internal audit of IT (Information Technology) and OT (Operational Technology) cybersecurity that was carried out internally as a follow-up to the audit carried out by PwC in the years 2022 and 2023.

5. Audit committee performance evaluation

At the meeting on February 21, 2025, the board of directors will discuss the annual evaluation of the functioning of the audit committee, in accordance with the provisions of article 529 *nonies* of the CEA, adopting an action plan for 2025.

6. Adoption of the activity report

This report on the activity of the audit committee was approved at its session on February 21, 2025.

Carne Moragues Josa
President

Barcelona, February 21, 2025