

**EBRO IN 2012**

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**FINANCIAL**

**INFORMATION**

---

**CORPORATE SOCIAL**

**RESPONSIBILITY**

---

**CORPORATE**

**GOVERNANCE**

---

**PARAMETERS OF THE REPORT**

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# Parameters of the report



Number of countries in which the organisation operates and names of the countries in which it performs its main activities or activities that are specifically important regarding the sustainability aspects addressed in the report.

From an economic point of view, 55.7% of the company's revenue in 2012 was generated in Europe, 38.5% in North America, 2% in Africa, 2.8% in Asia and 1.2% in other parts of America.



The Ebro Foods Group performs its business activities in 52 countries distributed throughout Europe, America, Africa and Asia. Of those 52<sup>1</sup> countries, the company's activities are purely commercial in 39 and in the remaining 13 Ebro owns industrial plants through its different subsidiaries.

<sup>1</sup> The list of those countries, broken down by business areas, can be consulted in the Ebro in 2012 section of this Annual Report.

Those 13 countries and their corresponding production centres are:

- 1. Germany:**  
Hamburg
- 2. Belgium:**  
Merksem  
Schoten
- 3. Canada:**  
Montreal
- 4. Denmark:**  
Orbaek
- 5. Egypt:**  
Heliopolis
- 6. Spain:**  
San Juan de Aznalfarache  
Coria del Río  
Isla Mayor  
Jerez de la Frontera  
Silla  
Algemesi  
L'Aldea  
Tortosa
- 7. United States:**  
Carlisle  
Brinkley  
Clearbrook  
Freeport  
Memphis  
Fresno  
St. Louis  
Winchester
- 8. France:**  
Gennevilliers  
Nanterre  
Saint Genis Laval  
Lorette  
Saint Just  
Vitrolles  
Littoral  
La Montre
- 9. Netherlands:**  
Wormer
- 10. Italy:**  
Vercelli
- 11. Morocco:**  
Larache
- 12. Portugal:**  
Coruche
- 13. United Kingdom:**  
Liverpool  
Cambridge



In environmental performance, the significant environmental information corresponds to the production facilities mentioned above.

In labour relations, the perimeter covers most of the Group's companies with workforce, except the subsidiary Ebro Germany GmbH (formerly Birkel Teigwaren GmbH), since it was not possible to consolidate its information when drafting this document. Consequently, the companies included in this report are:

- ❖ Arrozeiras Mundiarroz, S.A. (Portugal)
- ❖ Boost Nutrition, C.V. (Belgium)
- ❖ Bosto Poland (Poland)
- ❖ Danrice, A/S (Denmark)
- ❖ Ebro Foods, S.A. (Spain)
- ❖ Euryza GmbH (Germany)
- ❖ Herba Bangkok (Thailand)
- ❖ Herba Egypt, SAE (Egypt)
- ❖ Herba Puerto Rico, LLC (Puerto Rico)
- ❖ Herba Ricemills, S.L.U. . (Spain)
- ❖ Herba Ricemills Romania, SRL (Romania)
- ❖ Lassie B.V. (Netherlands)
- ❖ Mundi Riso, SRL (Italy)
- ❖ Mundi Riz, S.A. . (Morocco)
- ❖ NWP Group (USA and Canada)
- ❖ Panzani Group (France)
- ❖ Riceland Magyarorzag KFT (Hungary)
- ❖ Rivera del Arroz, S.A. (Morocco)
- ❖ Riviana Group (USA)
- ❖ Stevens & Brotherton Herba Foods, Ltd (UK)



All the above-named companies are included in aspects regarding Food Safety and Quality, except Ebro Foods, S.A. (holding), which does not manufacture or market food products.

The section on social action programmes refers to the activities organised by the Ebro Foundation, which promotes social action in Ebro Foods, S.A., and the

donations of food products made by the companies Herba Ricemills, Riviana and Panzani in their respective countries and other actions performed locally by some of our subsidiaries.

*NB: Among what are considered developing countries, Ebro Foods only has industrial presence with its own workforce in Morocco, Egypt and Thailand. These countries are included in the company's social and environmental performance. The presence of Ebro Foods in Angola, Algeria, Libya, Sudan, Saudi Arabia, United Arab Emirates, India, Israel, Jordan, Kuwait, Syria and Yemen is limited to the marketing of some of its rice and pasta brands, with no physical or industrial presence in any of them.*

### Stakeholders taken into account in the preparation of this report

Stakeholders have been analysed from the point of view of their importance for the company's activities, grouped into six categories:

- ❖ Shareholders
- ❖ Employees
- ❖ Customers
- ❖ Suppliers
- ❖ Society
- ❖ Media

These stakeholders were identified by company management through an internal reflection process. Relations had already been established with some of these stakeholders with a view to meeting their expectations and the Group's needs, make further progress in future years and enhance the quality and transparency of the information.

## CHANNELS FOR DIALOGUE WITH OUR STAKEHOLDERS

<u>STAKEHOLDERS</u>	<u>CHANNELS FOR DIALOGUE OF THE COMPANY WITH ITS STAKEHOLDERS</u>
Shareholders	Corporate web site Shareholders' electronic mailbox Shareholders' Office CNMV filings Investor Relations Department Meetings with analysts and investors Roadshows General Meetings Quarterly reports Annual Report Press releases Whistle-blowing channel



Employees	<ul style="list-style-type: none"> <li>Group and subsidiaries' web sites</li> <li>Group Intranet</li> <li>Suggestion box</li> <li>Mailbox</li> <li>Digital Newsletter</li> <li>Mailshots</li> <li>Department seminars</li> <li>Works Councils</li> <li>HR delegates</li> <li>Group Communications Department</li> <li>Annual Report</li> <li>Whistle-blowing channel</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Group and subsidiaries' web sites</li> <li>Customer services department</li> <li>Electronic mailboxes in each Group company</li> <li>Parent mailbox (comunicacion@ebrofoods.es)</li> <li>Advertising and Marketing</li> <li>Satisfaction surveys</li> <li>Regular meetings with consumers</li> <li>Social networks in some of our brands</li> <li>Regular visits to customers</li> <li>Fairs, forums and conferences</li> <li>Annual Report</li> <li>Whistle-blowing channel</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Group and subsidiaries' web sites</li> <li>Purchases Departments of Group companies</li> <li>Regular visits to suppliers</li> <li>Surveys</li> <li>Annual Report</li> <li>Whistle-blowing channel</li> </ul>
Society	<ul style="list-style-type: none"> <li>Group and subsidiaries' web sites</li> <li>Web site of Ebro Foods Foundation</li> <li>Annual Report</li> <li>Communications and CSR Department</li> <li>Press releases</li> <li>Parent mailbox (comunicacion@ebrofoods.es)</li> <li>Meetings with NGOs and social action institutions</li> <li>Meetings with local government bodies</li> <li>Meetings with residents' associations</li> <li>Whistle-blowing channel</li> </ul>

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Media	Group and subsidiaries' web sites Group Communications Department Parent mailbox (comunicacion@ebrofoods.es) Press releases CNMV filings Regular meetings with the media Interviews
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**Period covered by the information**

2012

**Date of most recent previous report**

2011

**Reporting cycle**

Annual.

**Contact for issues concerning the report or its contents**

For general issues on this report, please contact:

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**EBRO IN 2012**

---

**FINANCIAL**

**INFORMATION**

---

**CORPORATE SOCIAL**

**RESPONSIBILITY**

---

**CORPORATE**

**GOVERNANCE**

---

**ENVIRONMENTAL PERFORMANCE**

---

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# Environmental performance



Aware that the company's growth must be sustainable, Ebro Foods has implemented in its companies the necessary tools and measures to achieve an optimal balance between the performance of their operations and protection of the environment. With this aim in mind, it has set environmental performance goals, which are updated as circumstances change in the different business areas.

These goals are:

- ❖ Minimise the environmental impact of the Group's operations by constantly implementing new initiatives to reduce pollution, make a rational use of resources, reduce the consumption of water, paper and energy, reduce the generation of waste and emissions and seek environment-friendly solutions.



- ❖ Develop and progressively implement an Environmental Management System compliant with UNE-EN-ISO 14001:2004 or, as the case may be, introduce environmental management practices that improve its production practices.
- ❖ Provide environmental awareness and training programmes for the company's employees.
- ❖ Promote good environmental practices among its suppliers and customers, including them in Ebro's commitment in this regard through communication of its Code of Conduct.
- ❖ Whenever this may be considered necessary, have internal and external environmental performance assessments made.

Moreover, in an effort to ensure meeting the reduction, recycling and recovery targets set in the Packaging Waste and Packaging Act 11/97 of 24 April, the Spanish subsidiary Herba is a member of Ecoembalajes España S.A. (Ecoembes), a non-profit company whose mission is to design and develop systems for selective collection and recovery of used packaging and packaging waste. Ecoembes uses the Green Spot concept (this symbol appears on the packaging) to show that the packager of the product has paid a sum of money for each container or other form of packaging put on the market.

The European rice companies and the head offices of Ebro Foods have also signed an agreement with companies similar to Ecoembes for the destruction of paper and other data carriers. Apart from complying with the Data Protection Act, this agreement guarantees a sustainable management of documents by virtue of those companies' commitment to recycling.

#### **Environmental management programmes and certificates**

The workplaces certified under Standard UNE-EN-ISO 14001 are those situated in France:

<b>Company</b>	<b>Country</b>	<b>Name of the workplace</b>	<b>Certificates</b>
Panzani	France	Semolina Gennevilliers	ISO 14001
Panzani	France	Semolina Marseille Littoral	ISO 14001
Panzani	France	Semolina Marseille St. Just	ISO 14001

The Ebro companies in the USA operate under the following American specifications:

1. Title V Federal Operating Permit.
2. General Permit to Dispose of Waste.
3. Storm Water Multi-Sector General Permit.
4. Air Permit.
5. National Pollutant Discharge Elimination System (NPDES).

## ENVIRONMENTAL PERFORMANCE INDICATORS

In 2012 the company invested almost one million two hundred thousand euro in enhancements to minimise the impact of its production activities on the environment. These enhancements included, among others:

- ❖ Optimising of machinery (Orbaek plant, Danrice)
- ❖ Installation of new compressed air systems, replacing on-off air compressors with variable speed compressors (Jerez de la Frontera and Silla plants, Herba Ricemills)
- ❖ Start-up of new LED lighting systems (Clearbrook plant, Riviana)
- ❖ Acquisition of high energy-efficient engines (Cambridge and Liverpool plants, S&B Herba Foods)
- ❖ Use of rice husk as fuel instead of propane (Larache plant, Mundiriz)
- ❖ Implementation of system to control emissions from the burners, coolers and air conditioners (Merksem plant, Boost Nutrition)
- ❖ Water recycling programmes (Carlisle plant, Riviana)
- ❖ Optimising of production parameters to use less water in the process, thereby reducing the volume of effluent (Memphis plant, Riviana)
- ❖ Energy audits at the Panzani plants in France
- ❖ Closing of the cooling circuits at the parboiled plants (San Juan de Aznalfarache, Herba Ricemills)
- ❖ Reuse of cooling water from the cooking plant (San Juan de Aznalfarache, Herba Ricemills)



During 2012 some residents living near the plant in Jerez de la Frontera sued the company claiming that the noise at that plant exceeded the level permitted by law. At the date of drafting this report that claim had not yet been settled.

None of the Group companies have any own or leased operating facilities that are adjacent to, contain or are situated within protected areas or unprotected areas of considerable value for biodiversity.

Moreover, all the Group companies have taken out liability insurance covering damage to third parties caused by sudden, unintentional, accidental pollution, which insurance is believed to cover any possible risk in this regard.

#### **TOTAL ENVIRONMENTAL MANAGEMENT EXPENDITURE**

Environmental expenditure	272,912.19€
Investments to minimise impact on environment	872,380.21€
<b>Total expenditure</b>	<b>1,145,292.40€</b>

#### **ENERGY CONSUMPTION**

##### **Direct energy consumption**

<b>Non-renewable energy sources</b>	<b>Consumption (GJ)</b>
Butane	0.92
Gas-oil	69,560.73
Petrol	2,266.23
Liquefied Natural Gas (LNG)	10,183.70
Liquefied Petroleum Gas (LPG)	6,317.06
Natural gas	2,449,731.15
Propane	229,121.58
<b>Total</b>	<b>2,767,181.37</b>

<b>Renewable energy sources</b>	<b>Consumption (GJ)</b>
Biofuels	94,019.00
<b>Total</b>	<b>94,019.00</b>

#### **INTERMEDIATE ENERGY PURCHASED AND CONSUMED**

	<b>Consumption (GJ)</b>
Electricity	881,689.04
Steam	23,220.00
<b>Total</b>	<b>904,909.04</b>

#### WATER CONSUMPTION

Total volume of water harnessed	m <sup>3</sup>
Groundwater	354,835.00
Mains water or water from other water utilities	1,934,769.02
Surface water, including water from rainfall, rivers, lakes and oceans (1)	19,296,858.00
<b>Total</b>	<b>21,586,462.02</b>

(1) Of the total consumption of surface water harnessed, 19,295,500 m<sup>3</sup> does not correspond to our industrial activity but the agricultural activity of our subsidiary Rivera del Arroz in Morocco. This company was not included in the environmental performance report last year.

Total volume of recycled and reused water	m <sup>3</sup>
Recycled water	27,176.00
Reused water	28,200.00
<b>Total</b>	<b>55,376.00</b>

#### EMISSIONS

Greenhouse gas emissions	
Direct emissions (tn CO <sub>2</sub> -eq)	110,003.84
Indirect emissions (tn CO <sub>2</sub> -eq)	19,451.66
<b>Total</b>	<b>129,455.50</b>

Other emissions	Tonnes
NOx	124.26
Particles (MP)	34.36
SOx	18.61
Volatile organic compounds (VOC)	6.54
Other categories of standardised emissions classified in law	39.86
<b>Total</b>	<b>223.63</b>

#### WASTE AND EFFLUENT MANAGEMENT

Type of waste	Tonnes
Hazardous	17.75
Non-hazardous	14,918.11
<b>Total</b>	<b>14,935.86</b>

**Total volume of industrial waste water** 1,227,951 m<sup>3</sup>

Destination	Volume (m <sup>3</sup> )
Sewers or wastewater treatment plant	1,188,159
Inland waters (irrigation channels, rivers, lakes, infiltration, etc.)	31,792
Biochemical treatment	8,000

*NB: no body of water is significantly affected by effluent discharged by the organisation.*



## Environmental audits, inspections and checks made during 2012

- ❖ Arrozeiras Mundiarroz (Portugal): General Inspection Authority for Agriculture, Sea, Environment and Planning [Inspecção Geral da Agricultura, Mar, Ambiente e Ordenamento do Território (IGAMAOT)]. (9 April 2012)
- ❖ Riviana:
  - > Clearbrook plant (June-December 2012)
  - > Brinkley, Carlisle and Freeport plants: Quarterly and annual inspections to ensure fulfilment of the Storm Water Pollution Prevention Plan (SWPPP) <sup>[1]</sup>
  - > Memphis plant: Memphis-City of Memphis Industrial User Site Visit Inspection (23 May 2012)
- ❖ Panzani: energy audit of production plants in France. (December 2012)

## Environmental sustainability of the raw material

In addition to the environmental sustainability of its production activity, Ebro has started working on environmental sustainability at all levels of its value chain. In an initial phase of this work, towards the end of 2010 Herba Ricemills, the major operator in the Seville rice sector, started developing a programme focusing on the environmental sustainability of the rice crop in the Guadalquivir area.

This initiative, developed in collaboration with other players in the sector, consists of the following phases:

1. Acquire and/or build up the necessary scientific expertise on the key parameters of sustainability.
2. Establish possible and real strategies to mitigate impacts on the environment: good agricultural practices.
3. Inform the major interested parties of the results obtained.
4. Encourage the application of sustainable agricultural practices.

<sup>[1]</sup> Programme implemented by the US Environmental Protection Agency.



In this regard, within phase number 1, Herba has begun the following projects in collaboration with the Agricultural and Fisheries Research and Training Institute [Instituto de Investigación y Formación Agraria y Pesquera (IFAPA)] of the Regional Government of Andalusia and Hisparroz, S.A.:

- ❖ Optimising of nitrogen and phosphorus fertilizer: optimum dose, threshold values, crop response, etc.
- ❖ Water balance of crop: establish scientifically the quantity of water actually consumed by the crop compared to the quantity used – preliminary work for calculating water footprint.
- ❖ Effect of the salinity of irrigation water on the crop – Improvement of water handling according to salinity.
- ❖ Agricultural practices: determine the optimum combination of certain local agricultural practices (burning or incorporation of crop waste in the soil compared to flooding or non-flooding in winter) regarding the use of nitrogen fertilizer, herbicides and conservation of biodiversity.

The first results of these projects are expected to be obtained in 2013 and we will inform on them in forthcoming Annual Reports.

**EBRO IN 2012**

---

**FINANCIAL**

**INFORMATION**

---

**CORPORATE SOCIAL**

**RESPONSIBILITY**

---

**CORPORATE**

**GOVERNANCE**

---

**SOCIAL PERFORMANCE**

---

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# I. Our human capital



## OUR HUMAN CAPITAL

The main aim of Ebro Foods in labour is to have an adequate employment relationship framework, which makes its employees feel part of the organisation, favouring their career development, promoting equal opportunities and non-discrimination and, in short, creating a climate of industrial peace.

Each Group company is governed by the labour laws in place in the country in which it operates. The major companies also have their own Human Resources policies regulating relationships between employees and the company. Above those policies and without prejudice to the provisions established in the collective agreements of the different companies in the Ebro Foods Group, there is a Group Code of Conduct which not only guarantees responsible, ethical conduct by the employees of all the Ebro Foods companies in their work, but also serves as a reference for defining the goals of the employment policy and guarantees, health and safety at work,

training and the principles for securing non-discrimination, diversity and equal opportunities in access to employment. This Code contemplates the existence of a confidential whistleblowing channel ([canaldedenuncias@ebrofoods.es](mailto:canaldedenuncias@ebrofoods.es)) through which any of the persons bound by the Code of Conduct can report any breach of the principles established therein. In addition, any employees may submit queries, suggestions or consultations on any specific cases that may affect them, sending these communications to the Audit and Compliance Committee in any language through the specific e-mail address [codigodeconducta@ebrofoods.es](mailto:codigodeconducta@ebrofoods.es). The Code of Conduct is published on the company's website (<http://www.ebrofoods.es/responsabilidad-social-corporativa/codigo-de-conducta/>) and on the Group Intranet.

## LABOUR PERFORMANCE INDICATORS

The Ebro Foods Group had a workforce of 4,573 employees in 2012.

### HEADCOUNT BY BUSINESS AREA

Rice division	2,749
Pasta division	1,763
Holding	61

### HEADCOUNT BY BUSINESS AREA AND MEN-WOMEN RATIO IN EACH ONE

Area	Men	Women	Total	% Men	% Women
Rice	2,034	715	2,749	73.99%	26.01%
Pasta	1,192	571	1,763	67.62%	32.38%
Holding	35	26	61	57.38%	42.62%

*NB: The men-women ratio reveals a larger number of male employees due to the industrial nature in the origins of the Group and the large number of workers employed in its industrial facilities (2,019 men compared to 547 women).*

### HEADCOUNT BY GEOGRAPHICAL AREA

Continent	No. Employees
Africa	882
Central America	8
Asia	54
Europe	2,382
North America	1,247

#### HEADCOUNT BY AGE GROUP

Age group	Total	% Total
<=30	821	17.94%
30 to 50	1167	25.53%
>=50	2585	56.53%

#### HEADCOUNT BY AGE GROUP AND MEN-WOMEN RATIO IN EACH GROUP

Age group	Men	Women	Total	% Men	% Women
<=30	544	277	821	66.24%	33,76%
30 to 50	842	325	1167	72.16%	27,84%
>=50	1875	710	2585	72.54%	27,46%

#### NUMBER OF DISABLED EMPLOYEES

Men	26
Women	7
<b>Total</b>	<b>33</b>

Within the scope of placing the disabled in employment in Spain, Ebro Foods contracts certain services with different special employment centres (CEE). The value of those collaborations in 2012 was 129,057.95 €.

Entity	Amount
C.E.E. Afanias	8,647.11 €
C.E.E. CADEMADRID	430.39 €
C.E.E. INTGRAF	45,804.06 €
Fundación Aprocor	1,180 €
<b>C.E.E. Inserción Personal Discapitados " IPD"</b>	<b>72,996.39 €</b>

#### HEADCOUNT BY PROFESSIONAL CATEGORY

Professional category	No. Employees	%
Administrative staff	649	14.19%
Auxiliary staff	601	13.14%
Middle management	464	10.15%
Sales representatives	162	3.55%
Executives	131	2.86%
Others	2,566	56.11%



**MEN-WOMEN RATIO BY PROFESSIONAL CATEGORY**

Administrative staff	No. Employees	% Category
Men	271	41.76%
Women	378	58.24%
<b>Auxiliary staff</b>		
Men	446	74.21%
Women	155	25.79%
<b>Middle management</b>		
Men	313	67.46%
Women	151	32.54%
<b>Sales representatives</b>		
Men	112	69.14%
Women	50	30.86%
<b>Executives</b>		
Men	100	76.34%
Women	31	23.66%
<b>Others</b>		
Men	2,019	78.68%
Women	547	21.32%

**HEADCOUNT BY TYPE OF CONTRACT**

Type contract	Total Employees	%
Temporary	907	19.83%
Permanent	2,419	52.90%
At- will (USA)	1,247	27.27%

**TYPES OF CONTRACT BY GEOGRAPHICAL AREAS**

Type contract	Total Employees	% continent
<b>Africa</b>		
Temporary	737	83.56%
Permanent	145	16.44%
<b>Central America</b>		
Temporary	4	50.00%
Permanent	4	50.00%
<b>Asia</b>		
Permanent	54	100%
<b>Europe</b>		
Temporary	166	6.97%
Permanent	2,216	93.03%
<b>North America</b>		
At-will	1,247	100%
<b>Total Contracts</b>	<b>4,573</b>	

*NB: The majority of temporary contracts are in Morocco, in the company Rivera del Arroz, which is essentially an agricultural company so the hiring of personnel is conditional upon the progress of the rice campaign and the number of hectares sown. Most contracts are made during the five or six months of the sowing and harvesting season.*



## STAFF TURNOVER

	No. Employees	% Total Employees
Dismissals/redundancies	120	2.63%
Employees claiming permanent disability	34	0.74%
Employees voluntarily leaving the company	178	3.90%
Retirements	23	0.50%
Deaths	5	0.11%
New recruitments	579	12.67%

## NUMBER AND PERCENTAGE OF EMPLOYEES COVERED BY COLLECTIVE AGREEMENTS

Number	%
3,846	84.09%

*NB: In general, the collective agreements are applicable to all employees regardless of their form of contract, professional category or job. However, certain groups are expressly excluded from the scope of collective agreements by issues related with the laws of each country or even the customs and practice prevailing in each country.*

## TALENT MANAGEMENT AND DEVELOPMENT

The different companies in the Group have invested a total of €1,179,440.70 in training courses for their employees. Over 144,000 hours' training has been given, with the participation of around 61% of the workforce.

## TOTAL EMPLOYEES WHO HAVE RECEIVED TRAINING (BY PROFESSIONAL CATEGORIES)

Category	No. Employees	% Employees in category
Administrative staff	609	93.84%
Auxiliary staff	492	81.86%
Middle management	333	71.77%
Sales representatives	76.5	47.08%
Executives	59	45.04%
Others	1,230.80	47.97%
<b>Total</b>	<b>2,800.30</b>	<b>61.23%</b>

**NUMBER OF HOURS TRAINING GIVEN (BY PROFESSIONAL CATEGORIES)**

Category	No. hours
Administrative staff	16,424.80
Auxiliary staff	94,858.00
Middle management	9,365.05
Sales representatives	1,700.00
Executives	1,654.00
Others	20,033.25
<b>Total</b>	<b>144.035.10</b>

*NB: The principal subject areas on which training has been given are: quality and environment, languages, information technologies, occupational hazard prevention and safety at work, development of commercial and marketing skills.*

**EMPLOYEES PROMOTED DURING THE YEAR, BY SEX**

	No. Internal Promotions	% Promotions /Total Sex	Promotions /Total Employees
Men	84	2.58%	1.84%
Women	37	2.82%	0.81%
<b>Total</b>	<b>121</b>		<b>2.65%</b>

**EMPLOYEES PROMOTED DURING THE YEAR, BY GEOGRAPHICAL AREAS**

Continent	Internal promotions
Africa	2
Asia	2
Europe	83
North America	34
<b>Total</b>	<b>121</b>

**OCCUPATIONAL HAZARDS AND PREVENTION**

The health and safety of employees is an essential aspect of employment relationships in all the Ebro Foods companies. Accordingly, the Group spend over one and a half million euro in 2012 on different hazard prevention measures, providing training for employees and increasing the publication of accident rates, causes and solutions.

Investment in occupational hazards and prevention	1,534,495.06 €
Investment in training on occupational hazards and prevention	264,686.44 €
No. hours training in occupational hazards and prevention	18,867.50 h

Some examples of investments in Occupational Hazard Prevention

- ❖ Internal audits of procedures and installations in offices and production plants
- ❖ First aid courses
- ❖ Courses analysing hazards and critical control points
- ❖ Review of hazard assessment
- ❖ Purchase of ergonomic furniture
- ❖ Signalling of vehicle routes within factories
- ❖ Signalling of forklift truck routes within the packaging area
- ❖ Installation of fire alarms and fire drills
- ❖ Purchase of safety clothing

**NUMBER OF INJURIES, CASES OF OCCUPATIONAL DISEASE AND LOST DAYS IN 2012**

	Número
Injuries	252*
Occupational disease	9
Lost days	7,612

(\* None of these injuries was fatal.

**NUMBER OF INJURIES, CASES OF OCCUPATIONAL DISEASE AND LOST DAYS IN 2012, BY GEOGRAPHICAL AREAS**

Continent	Number
<b>Africa</b>	
Injuries	14
Lost days	126
Occupational disease	2
<b>Central America</b>	
Injuries	1
Lost days	5
<b>Europe</b>	
Injuries	191
Lost days	7.018
Occupational disease	7
<b>North America</b>	
Injuries	46
Lost days	463

Injury rate of the Ebro Foods Group (IR): 19.66

Occupational disease rate of the Ebro Foods Group (ODR): 0.25

Lost day rate (LDR): 211.49

## WELFARE BENEFITS

One of our main goals is to create stable, quality employment. Accordingly, our subsidiaries offer a broad range of welfare benefits, including, as appropriate, private medical insurance, life, accident and disability insurance, saving and retirement schemes, medical grants, meal and educational aids, study grants, etc.

## PAY POLICY

More than 40% of the employees of different companies in the Ebro Foods Group are included in a variable remuneration scheme which bases the variable part of their annual salary on a number of collective (of the Group overall and the different business units) and job-specific objectives.

In addition, several employees in Spain benefit from the payment-in-kind programme, whereby taxation of their salaries can be optimised through the receipt of certain benefits, such as medical insurance, company car, computers, nursery service or housing rent.

This pay policy includes the delivery of shares in Ebro Foods, S.A.: under current tax laws employees may receive up to 12,000 euro in company shares without considering them remuneration for the purpose of personal income tax. During 2012, 33 employees of different Group companies received shares in the company for an overall sum of 311,473.05 €.



## II. Social action programmes



### SOCIAL ACTION AND COMMUNITY DEVELOPMENT PROGRAMMES

Once again, Ebro Foods has contributed towards furthering socioeconomic development in the geographic areas in which it operates. During 2012, it invested €1,345,141 through its Foundation and different subsidiaries in promoting different initiatives and projects to improve the quality of life of the individuals and groups in danger of social exclusion.



As mentioned above, the development of this social commitment is channelled mainly through the Ebro Foundation, through which the Group promotes and participates in solidarity initiatives to further the development and equal opportunities of the underprivileged segments of society, in Spain and other countries.

The Foundation was set up in Granada on 9 June 1998 and is governed by its Articles of Association, the provisions of the Foundations Act 50/2002 of 26 December and other applicable laws and regulations.

In 2006, in an effort to ensure that the entities with which it collaborated upheld the same values of altruism, transparency and integrity as the Ebro Foundation, it signed a collaboration agreement with Fundación Lealtad, an independent non-profit institution that analyses and assesses NGOs on the basis of nine principles of transparency and good practices. These principles are:

1. Principle of procedure and regulation of the governing body
2. Principle of clarity and publicising of the corporate purpose
3. Principle of planning and monitoring of the activity
4. Principle of communication and true and fair view in reporting
5. Principle of transparency in financing
6. Principle of plurality in financing
7. Principle of control in the use of funds
8. Principle of presentation of the annual accounts and fulfilment of legal obligations
9. Principle of promotion of voluntary aid

#### **Actions in 2012**

The social action in 2012 was channelled mainly through the donation of food, integration of the disabled into society and employment and the promotion of projects to enhance socioeconomic development in developing countries and other geographic areas in which the group operates. Within these three areas, a total of 43 projects have been started up, improving the living conditions of at least 38,739 people and Group products have been donated to different food banks in Spain, France and the United States with a value, had they been sold on the market, of over 900,000 €.

The following tables summarise the different social action programmes developed by Ebro Foods in 2012:

**DONATIONS TO FOOD BANKS: 923,141 €**

Spain	161,438 €
France	73,481 €
USA/Canada	688,222 €

As leader of the food sector, one of the main channels of action of the Foundation is to donate food products from the Group's different businesses. To guarantee adequate distribution of such products among the most needy, the Foundation has signed a collaboration agreement with the Spanish Federation of Food Banks (FESBAL) to manage and distribute the products donated by Ebro among the provincial food banks. In Spain in 2012 the Foundation made donations to FESBAL of different Group products which would have had a value of 61,438 € on the market and it also made a cash donation of 100,000 € for the processing of fruit into juice, meeting two goals: meeting the demand of the most needy by converting a perishable consumer good which would otherwise have become food waste. In this regard, Ebro Foods has joined the project organised by the Association of Spanish Producers and Distributors (AECOC) to combat food waste.

Outside Spain, our subsidiaries donated 73,481 € in Europe, through Panzani. A similar initiative is developed by our subsidiaries Riviana, New World Pasta, Ronzoni and American Rice Inc. in the United States and Canada, which donate rice and pasta products to several local food banks. Last year those companies made donations valued at 688,222 €.

**SOCIAL ACTION IN SPAIN: 133,000€**

City	Organisation	CSR Action Developed	Beneficiaries
Seville	Asociación Aliento	Aid for buying food and nappies for children at the M <sup>a</sup> Ángeles Nursery in El Vacie	NS
Seville	Andex	Financing to build the new Cancer Day Unit at the Virgen del Rocío Hospital in Seville	NS
Seville	Orden de Malta	Economic assistance for the San Juan de Acre soup kitchen	250
Seville	Proyecto Hombre	Financial aid for the drug addicts refuge	108
Seville	Hermandad de la Santa Caridad	Economic aid for its store	NS
Seville	Dulces de los Conventos	Christmas Goodies for Soup Kitchens, Order of Malta and Hermandad Santa Caridad	NS
Silla (Valencia)	Cáritas	Support and assistance for families	665
Algemesí (Valencia)	Cáritas	Assistance for families, training for employment and solidarity store	185
Benifayó (Valencia)	Cáritas	Support and assistance for families	207
Madrid	Fundación Balía	Education project for children from broken homes and single-parent families	19
Madrid	Fundación Caico	Socioeconomic support for families with children with cancer at the Niño Jesús Hospital	NS
Madrid	Fundación Vianorte	Charity concert to celebrate the X Anniversary of the Palliative Care Hospital	
Madrid	Fundación Theodora	Financing of Smile Doctors in several hospitals nationwide	600
Madrid	Asociación Volán	Economic support for the volunteers' liability insurance	NS
Jerez de la Frontera (Cádiz)	Madre Coraje	Economic assistance for solidarity vegetable garden for the El Salvador soup kitchen	NS
Jerez de la Frontera (Cádiz)	Parroquia San Pablo	"Childsplay" project	70
Granada	Proyecto Hombre	Rambling and hiking activities for drug addicts and their families	30

NS: Number not supplied by the NGO developing the project



**SOCIAL ACTION IN DEVELOPING COUNTRIES: 132,000€**

Country	Organisation	CSR Action Developed	Beneficiaries
Cambodia	Sauce ONG	Supply of rice, seeds and farming tools	175
North Vietnam	Codespa	Project to improve rice crops in the province of Tuyên Quang	17,000
Malawi	África Directo	Food safety and agriculture programme in Mtendere	916
Malawi	África Directo	Irrigation project and support for nutritional centre in Chiphwanyá	16,000
Malawi	África Directo	Financing of agricultural office in Alinafe	NS
Malawi	África Directo	Vegetable gardens irrigation project in Alinafe	NS
Mozambique	África Directo	Vegetable garden for women with AIDS	250
Uganda	África Directo	Purchase of oil-manufacturing machinery in Yumbe	NS
Uganda	África Directo	Purchase of oxen to help with agricultural production in Lira	20
Uganda	África Directo	Micro loans for women in Yumbe	256
Kenya	África Directo	Building of well and water connections in Eldoret	1,180
Ethiopia	África Directo	Channelling of water from Wukro reservoir	350
Ethiopia	África Directo	Drip irrigation project and channelling of wells for orphanage and clinic in Meki	70

**NS:** Number not supplied by the NGO developing the project

**INTEGRATION OF DISABLED PERSONS IN EMPLOYMENT AND SOCIETY: 142,000€**

City	Organisation	CSR Action Developed	Beneficiaries
Seville	Asedown	Employment guidance and training programme for the disabled	80
Seville	Autismo de Sevilla	Financing of home for autistic individuals	26
Seville	Cáritas	San Pelayo Training Centre and Employment Project	121
Seville	Fundación Auxilia	Horticulture and Office Automation Workshops Programme	36
Seville	Mater et Magistra	Mamika & Carlos Sheltered Housing	NS
Madrid	Fundación Bobath	“Sponsor” Plan, integral treatment for a child with cerebral palsy	1
Madrid	Fundación Kyrios	Counselling and information programme for persons with borderline intelligence	NS
Madrid	Fundación Capacis	Vocational Training Project to enhance the employability of disabled persons	8
Madrid	Fundación Prodis	Promotor Project developed by the Autonomous University to improve integration into the labour market	116
Madrid	Fundación Síndrome de Down	Cátedra Family and Disability Project developed by the Universidad Pontificia de Comillas	NS

**NS:** Number not supplied by the NGO developing the project

**COLLABORATION WITH RESEARCH ACTIVITIES: 15,000€**

City	Organisation	CSR Action Developed
Seville	Ciccartuja	Funding of Research Prize
Seville	Fundación Mehuer	Rare Diseases Congress
Madrid	Fundación Cris	NK cellular therapy project in child cancer

The full contents of all the projects developed by the Foundations and the respective goals can be consulted on its website: <http://www.fundacionebrofoods.es>





## RELATIONS WITH COMMUNITIES

The Group companies have appointed spokespersons to conduct and maintain contacts through regular meetings with the corresponding social partners in the communities in which they operate. The purpose of those meetings is to establish communication channels to inform on the different projects that the company has set up or is going to start, on the one hand, and for the communities to provide the company with any information they may consider necessary, on the other hand, or even social demands, in some cases, to enhance the living conditions and development of those communities. In addition Ebro, through its Foundation, strives to bring the interests of the communities in line with the social investment principles to generate compatible projects.



## Disputes during 2012

After eleven years of fluent relations and peaceful coexistence, in 2012 the Munderiz Group (made up of Munderiz, S.A. and Rivera del Arroz, S.A.), based in Morocco, was the target of a major social uprising during which much of the company's agricultural land was invaded and occupied by neighbouring kabilas. The specific kabilas concerned were:

- ❖ Kabila SRIMA and Kabila OULED YECHOU: 500 hectares
- ❖ Kabila CHILIHAT and Kabila SHISHAT: 950 hectares
- ❖ Kabila AADARA: 400 hectares

This invasion was far from pacific, since the rioters mobilized the population to occupy the land with slogans proclaimed from the minarets and went en masse, armed with chains and slings, verbally menacing and even physically assaulting employees of both the company and subcontracted firms who were working there at that time. At least 3 complaints have been filed at the La Aoumra gendarmerie by Rivera workers who were physically assaulted, as well as 2 complaints filed by the company.

In view of this situation, the government sent a contingent of security forces in June, some 2,000 soldiers, to guarantee sowing and protect the people doing that work. Consequently, there were a number of clashes between the soldiers and the members of the kabilas that were occupying the land, in which numerous people were injured on both sides. This has been used by some social partners, who have not bothered to investigate the real circumstances of Ebro's investment in Morocco, to accuse Ebro of infringing human rights, intimidation and coercion and several other irresponsible social practices.

In this regard, we should stress first of all that the company cannot feel responsible for the injuries produced during the confrontations, since at no time in the entire duration of the conflict did Ebro take any reprisals or resort to violence, but continued meeting the demands of communities bordering on its catchment area.

Secondly, although the reasons put forward by the kabilas (occupation of land that belonged to them, proliferation of mosquitos, workers not registered with the social security or breach of agreements)



to justify those violent actions were not real and have varied over time, Ebro carried out an internal investigation to clarify and check the truth of the complaints, with the following results:

1. With regard to the legal ownership of the land, the properties at issue are farms owned by the Moroccan government, which has leased them to Ebro through two state-owned companies: Société de Gestion des Terres Agricoles (SOGETA) and the Land Department of the Ministry of Finance, Trade, Industry and Craft. The two farms have an aggregate area of 4,597 Ha and include, as stipulated in the agreement, some parts that are not arable land, corresponding to eucalyptus forests, waste ground or tracks. The company only actually farms 2,750 Ha and pays an annual sum per cultivated hectare equivalent to that stipulated within the scales established for this type of land. We have not received any favourable treatment from the Moroccan government. The land leased from Société de Gestion des Terres Agricoles (SOGETA) is situated within the rural community El Aoumra (Larache) and the rent is raised by 20% every six years. The land leased from the Land Department of the Ministry of Finance, Trade, Industry and Craft is also situated within the rural community El Aoumra (Larache) and the rent is raised by 20% every five years.
2. As regards the proliferation of mosquitos, the company has an annual fumigation plan commencing at harvest time and implemented always under supervision by the health authorities and in coordination with the local government. This plan follows the same protocols of frequency and products used as those established in other rice areas of Morocco (Gharb) and Spain (Seville, Valencia, etc.). Nevertheless, in response to complaints from local communities, the company intensified its fumigation campaign in 2012. The areas fumigated are those included within the farms and within the communities. In addition, to minimise the mosquito effect, the company agreed with the local communities to leave a strip of 150 metres wide and 10 kilometres long between the rice fields and the villages. A crop intended for neighbouring villages is always sown in that strip; this year, it was 41 hectares of fodder for animals. This agreement has been scrupulously respected at all times by the company.
3. Regarding the quality of the water, analyses are made regularly, taking samples of water from different parts of the river, rice fields and drainage channels to detect any substances that may be detrimental to health. The analyses are made by both public and private laboratories have never revealed the levels of pesticides reported by the communities. The levels detected are always below the minimums stipulated by the health authorities to be considered toxic.
4. In the area of employment-related claims, each and all of the workers employed by Ebro Foods in Morocco, in the plant or on the farms and regardless of the duration of their contracts, are registered with the social security. All of them, both men and women, have their corresponding salary, are paid any overtime they work and their salaries are in line with what is marked by law. Moreover, there is no difference in the basic wages received by men and women.

Furthermore, as stipulated in law, all the workers (men and women) are covered by a compulsory medical service (AMO) and an occupational injury insurance policy. With regard to occupational hazard prevention, all employees are issued the necessary working material to perform their work: boots, gloves, masks, protective glasses, adequate clothing, etc.

Mechanisms have been established to ensure that male and female workers are of age: to sign the employment contract each worker must present his or her birth certificate or national identity card.

As for the recruitment mechanisms for hiring women, this is not done by plant employees, but is delegated to the women acting as team leaders for hoeing, who are also temporary workers. The selection criteria applied are limited to the requirement that they live in the douards near the farms.

As far as occupational disease is concerned, the company is not aware of any rheumatic disease or breathing disorders. The only medical incidents we have found any record of occurred in 2011 when five female workers suffered an allergy to rice, for which they were treated with anti-allergy ointments and reassigned to other jobs in which they did not come into contact with rice.

We stress that the paralysation of hiring of temporary workers for the rice campaign was not a decision of the company, but was due to the invasion of the land by some of the kabila inhabitants. Ebro was the first to suffer the consequences and, although it was aware that a campaign outside its natural time would not produce a profit that year, it nevertheless opted to continue producing rice and creating jobs. The consequences of the violent actions for Ebro consisted of:

- ❖ Losses of two million euro in agriculture.
- ❖ Reduction in sales, since by postponing harvesting, it did not have enough product to sell on the domestic market
- ❖ Low crop yields.
- ❖ Losses of consumables used in the sugar cane fields.

5. With regard to the social demands of the local communities, the company cleans the village canals every year, repairs the bridges and main tracks in the farms and collaborates in the repairing of roads and infrastructures of the kabilas. It also supplies the villages with sufficient water to irrigate their fields, pumping it with its own engines. In addition, in coordination with the regional agricultural authorities (ORMVAL) it is developing another rice area on the other side of the River Lukus, implementing specific plans to modernise the crop techniques, increase yields and develop new crop varieties. As a result, the yield per hectare of those farmers rose above eight tonnes in 2012, obtaining the same yields as Ebro and even improving on them, since those of the company were impaired by the invasions. It should also be noted that the company finances, with three-year interest-free loans, any farmers who wish to voluntarily start applying the levelling techniques on their land, providing them with personal counselling during all phases of the process.

The final conclusions of the internal investigation were that Ebro operates responsibly in Morocco, respecting the idiosyncrasy and rights of its employees and complying with the laws and regulations in place:

- ❖ It has created wealth where there was none.
- ❖ It has helped Morocco to become more self-sufficient and, consequently, save in foreign currency.
- ❖ It has generated employment in accordance with the law.
- ❖ It has taught other rice-growers to cultivate rice, sharing its know-how with them.
- ❖ It has paid its taxes and social security contributions.
- ❖ It has promoted social action initiatives whenever it has found a counterparty to be able to carry them out.
- ❖ It has not received any favourable treatment. The land leases it has signed with the State are paid for according to the pre-established scales.
- ❖ It respects the environment and complies with the laws on phytosanitary products.

At the date of drafting this report, the company's relations with local communities are returning to normal. Even so, Ebro aims to approach them more and set up some kind of local entity to channel and document the social actions developed in this geographical area.

# III. Product Responsibility



## PRODUCT RESPONSIBILITY: FOOD SAFETY AND QUALITY

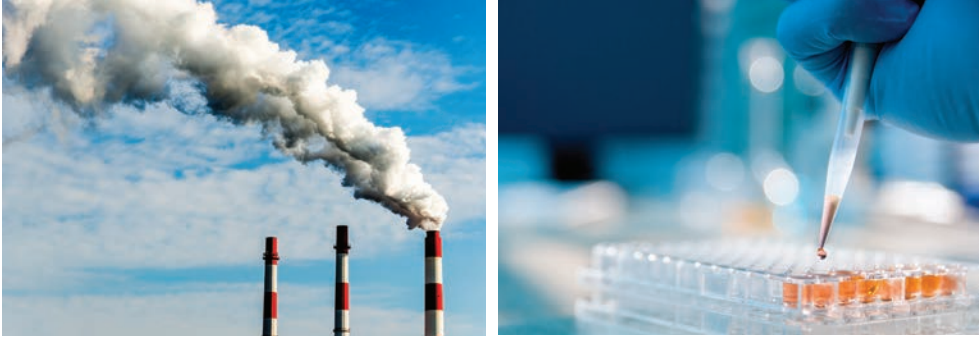


One of the basic pillars in the Ebro Foods management is to provide society in general and our customers and consumers in particular with top food quality and safety. The Group has a Food Safety and Quality Policy, which is supplemented with the specific policies of our subsidiaries.

## CORPORATE FOOD SAFETY AND QUALITY POLICY

This policy is based on the permanently integrated action of our entire organisation to achieve continuous improvement of our company, especially in the following aspects:

1. Definition, development and implementation of a Food Safety and Quality System complying with the requirements of Standards ISO 9001, ISO 22000 (or similar, depending on the country in which the respective company operates), certified by an ENAC authorised body.
2. Training and promoting awareness of all company employees in the aspects of food safety and quality management required by their work and our organisation.
3. Setting and revising of quality targets to enable continuous improvement in this area, providing the necessary financial and operational resources.
4. Monitoring of the objectives and performance of preventive and remedial actions required from time to time by prevailing circumstances.
5. Encouragement of the company's suppliers to adopt similar principles to those set out above, cooperating with them to put those principles into practice.
6. Adoption of approval measures and quality programmes arranged with customers to ensure their satisfaction.
7. Ensuring health and safety of our customers, respecting the most stringent food safety standards.
8. Compliance with prevailing laws and regulations on product labelling.
9. Publishing of transparent, true marketing communications, complying with advertising self-regulation codes.
10. Preservation of the confidentiality of personal data of our customers, in pursuance of the data protection laws in place from time to time.



## IMPLEMENTATION OF FOOD SAFETY AND QUALITY CONTROL SYSTEMS

We use the most advanced quality control systems at all our plants and workplaces to guarantee the quality and safety of the food we offer our consumers:

- ❖ **Good Manufacturing Practices (GMP):** contemplating good practices for the handling, packaging, storage and carriage of fresh products.
- ❖ **Hazard Analysis and Critical Control Point (HACCP):** a system for identification and control of the possible problems that may come to light during the design and production processes.
- ❖ **Quality Assurance Standards:** such as the standards established by the International Organisation for Standardization (ISO 9001:2000, ISO 9001:2008 and ISO 22000), the International Food Standards (IFS), which, structured in line with ISO 9001:2000, are among the highest distinctions in Food Safety in all distribution sectors in Europe, the BRC (British Retail Consortium) certification, one of the internationally most widespread models for distributors and large retail outlets to rate their brand product suppliers, and finally, the Danish DS standards (Danish HACCP Code), for developing a HACCP system in the food industry and in the manufacturing of packing and packaging for food products. The effectiveness of these programmes is regularly assessed by independent experts.

In 2012 work began aimed at obtaining ISO 22000 certification for the Mundiriz, S.A. plant in Morocco and our North American companies Riviana and New World Pasta finished aligning their food quality and safety programmes with the Global Food Safety Initiative (GFSI), a global standard comprising the following international standards: BRC, IFS, Dutch HACCP and the Safe Quality Food Programme (SQF).

In this regard, all the Group's plants will now be certified for food quality and safety.

Company	Country	Name of workplace	Certificates
Arrozeiras Mundiarroz, S. A.	Portugal	Coruche	ISO 9001 ISO 22000
Birkel	Germany	Mannheim	ISO 9001 IFS
Birkel	Germany	Waiblingen	Organic Distribution
Boost Nutrition	Belgium	Merksem	BRC IFS Kosher Fairtrade Certification Organic Certification
Danrice	Denmark	Orbaek	BRC ISO 22000
Euryza	Germany	Hamburg	IFS Gmp
Herba Bangkok	Thailand	Bangkok	ISO 9001 BRC
Herba Egypt	Egypt	Beni-Suef	ISO 22000
Herba Ricemills, S.L.U.	Spain	Coria Del Río	ISO 9001
Herba Ricemills, S.L.U.	Spain	San Juan de Aznalfarache (Ready-to-serve plant and rice plant rice plant )	ISO 9001 BRC I.F.S
Herba Ricemills, S.L.U.	Spain	L'Aldea	ISO 22000 BRC
Herba Ricemills, S.L.U.	Spain	Jerez de la Frontera (Ready-to-serve plant)	ISO 9001 BRC I.F.S
Herba Ricemills, S.L.U.	Spain	Silla	ISO 9001 BRC I.F.S
Herba Ricemills, S.L.U.	Spain	Algemesí (Ready-to-serve plant)	ISO 9001 BRC
Herba Ricemills, S.L.U.	Spain	Algemesí (Rice plant)	ISO 9001

Company	Country	Name of workplace	Certificates
Lassie	Netherlands	Wormer	BRC SKAL HACCP
Mundiriso	Italy	Vercelli	IFS BRC ISO 22000
Mundi Riz	Morocco	Larache (in process)	ISO 22000
New World Pasta	USA	Saint Louis	SQF
New World Pasta	USA	Fresno	SQF
Panzani	France	La Montre	ISO 9001 IFS
Panzani	France	St Genis Laval (Fresh pasta plant)	ISO 9001 IFS
Panzani	France	Warehouse (Fresh pasta plant)	ISO 9001 IFS
Panzani	France	Lorette (Fresh pasta plant)	ISO 9001 IFS
Panzani	France	Nanterre	ISO 9001 IFS
Panzani	France	Vitrolles	IFS ISO 9001
Riviana Foods	USA	Memphis	SQF
Riviana Foods	USA	Brinkley	SQF
Riviana Foods	USA	Clearbrook	SQF
Riviana Foods	USA	Carlisle	SQF
Riviana Foods	USA	Freeport	SQF (Packaging and warehousing)
S&B Herba Foods	UK	Cambridge	BRC Kosher
S&B Herba Foods	UK	Liverpool	BRC Kosher



## PRODUCT RESPONSIBILITY PERFORMANCE INDICATORS

### Phases of the product life cycle in which their impact on customer health and safety is assessed

	YES	NO
Design of the product	X	
R+D	X	
Certification	X	
Manufacturing & production	X	
Marketing & promotion	X	
Storage, distribution & supply	X	
Use & service	X	
Elimination, reuse & recycling	X	

*NB: All products put on the market by the different subsidiaries are subject to these assessment procedures.*

### Total number of incidents deriving from breach of legal regulations or voluntary codes regarding the impact of products on health and safety during their life cycle

During 2012 Arrozeiras Mundiarroz, S.A. (Portugal) had 32 infringements in this regard, paying a global fine of €85,672.38.

### Type of information provided by the company on all its products, based on its information and labelling procedures

- ❖ **Source of the product components:** all the Group companies except the subsidiaries Mundiriz, S.A. (Morocco), S&B Herba Foods Ltd. (UK) and Lassie, B.V. (Netherlands).
- ❖ **Contents, especially regarding substances with a potential environmental or social impact:** all the Group companies except Arrozeiras Mundiarroz, S.A. (Portugal), Boost Nutrition, C.V. (Belgium), Lassie, B.V. (Netherlands), Mundiriz, S.A. (Morocco) and S&B Herba Foods, Ltd (UK).
- ❖ **Safe use of the product:** all the Group companies except Lassie, B.V. (Netherlands) and S&B Herba Foods, Ltd (UK).
- ❖ **How to eliminate the product and its environmental or social impact:** all the Group companies except Boost Nutrition, C.V. (Belgium), Mundiriz, S.A. (Morocco), Panzani Group (France), Lassie, B.V. (Netherlands) and S&B Herba Foods, Ltd (UK).

### Total number of breaches of the regulations and voluntary codes regarding product information and labelling

During 2012 our subsidiary Herba Egypt Ricemills, Ltd. (Egypt) was fined €150 for a breach in this aspect.

### Customer satisfaction practices

All the Group companies except S&B Herba Foods, Ltd (UK) do four-monthly, annual or two-yearly customer satisfaction surveys and have established communication channels with their customers via e-mail, questionnaires, website, telephone, etc.

### Total number of incidents deriving from breach of regulations concerning marketing communications, including advertising, promotion and sponsorship

None of the Group companies has breached any such regulations during 2012 so no incidents have been recorded in this area.

### Customer Services

Two important aspects of the Ebro Foods philosophy are our total vocation to customer service and our awareness that each customer is unique. Customers are the basis of our growth and their full attention and service is perceived as the road to be followed to secure constant improvement. Accordingly, our customer services section must essentially listen to their complaints and suggestions, duly respond to all their queries and questions, guarantee fulfilment of their rights and thus secure their total satisfaction.

The packaging of all the Ebro Group products provide consumers with information on their nutritional properties, along with the physical address of the company and, where appropriate, its website, e-mail and telephone number.

The different customer services departments collect data and generate information for the quality system. Claims are answered by telephone or e-mail, according to the details given by the customer. A case file is opened for each incident and reported internally to the Quality Department, which checks and monitors the relevant quality system in case of error and takes the necessary measures to offer a solution.

As a rule, we follow up all claims by telephone to check consumer satisfaction.

We regularly conduct statistical monitoring of all complaints and proposals for improvement made by our consumers, discussing them at the different Management Committee meetings held every month within each company.

### Total number of incidents regarding privacy and leaking of customers' personal data

None of the Group companies has had any incidents in this regard in 2012

