

DEFINITION OF THE MODEL

STRATEGY

VALUE CREATION: R&D + INNOVATION

Strategy

The Group aims to be an important player on the rice, pasta and healthy grains markets and in cross-cutting categories known as meal solutions. The company also has the following goals:

1. Achieve a global position in a highly inter-related world, being open to the incorporation of related products, such as value-added pulses and noodles.
2. Reaffirm itself as a benchmark business group in its different areas of activity.
3. Lead innovation in the geographical areas in which it operates.
4. And position itself as a sound, innovating, responsible company, committed to social well-being, environmental balance and economic progress.

To achieve these goals, the Group upholds sustainable growth as the cornerstone of its business management and develops a business model focusing on the generation of value for its employees, shareholders, investors, customers, suppliers, the media, communities in which it operates and, in short, all the stakeholders with which the Group interacts during or in connection with its business activities.

The Group strategy is thus based on a number of levers considered essential to increase the value of the business and on a number of principles of action comprising the company's commitment to sustainable development and its value chain.



Principles of action

Regarding good corporate governance and ethical management of business:

- ◆ Foster ethical management based on good governance practices and fair competition.
- ◆ Comply with prevailing laws, taking a preventive approach at all times to minimise economic, social and environmental risks, including tax risks.

Regarding financial sustainability and long-term focus:

- ◆ Endeavour to obtain a return on investments while guaranteeing the operating and financial soundness of its activities.
- ◆ Ensure business profit as one of the bases for the future sustainability of the company and the large groups of agents operating directly and indirectly with it.

Regarding human capital management and talent development:

- ◆ Generate a framework of labour relations that favours training and personal and professional development, respects the principle of equal opportunities and diversity and promotes a safe, healthy working environment.

Regarding fundamental human rights:

- ◆ Fundamental and universal human rights must be construed and recognised in accordance with international laws and practices.
- ◆ All forms of abuse or violation of those rights among any of the stakeholders are rejected.

Regarding value generation for the community:

- ◆ Promote a relationship of mutual benefit with the communities in which the Group is present, sensitive to their culture, context and needs.

Regarding sustainability of the value chain:

- ◆ Make sure that sustainable social, economic and environmental standards are met throughout the entire life cycle of the Group's products.

Regarding customers:

- ◆ Meet and anticipate our consumers' and customers' needs, offering a broad portfolio of products and differentiated, healthy food.

Regarding environmental protection:

- ◆ Steer all the company's processes, activities and decisions towards protecting the environment, preventing and minimising environmental impacts, optimising the use of natural resources and preserving biodiversity.

Regarding stakeholders:

- ◆ Develop a framework of responsible, honest, transparent communication and dialogue with stakeholders, setting up perfectly identified stable channels of communication.

Regarding the rendering of accounts and transparency

- ◆ Provide stakeholders regularly with transparent, rigorous, true information on the Group's activities.

Growth levers

Organic and inorganic growth in high-consumption countries and the search for opportunities in developing countries with a high growth potential:

- ◆ Moving into new territories or categories, paying special attention to new fresh products (snacks, crisps, omelettes, sandwiches, ready meals) and new ranges of higher value-added ingredients.
- ◆ Development of products that offer a complete culinary experience, extending the catalogue with new formats (maxi cups...), flavours (cup and sauce ranges) and preparations (rice and pasta dishes for the frying pan, SOS dishes...).
- ◆ Taking prominent positions in the healthy and organic foods area, through new concepts based on ancient grains, organic, gluten free, quinoa, etc.
- ◆ Establishing ourselves as leaders of mature markets by outperforming others in product quality. Expanding and leading the premium category. Developing the Garofalo brand.
- ◆ Expanding our geographical presence and completing our product/country matrix:
 - Search for business opportunities in mature markets with a business profile similar to ours and opportunities in specialist market niches (Rice Select, Monterrat, Celnat) through which we can shift in our strategy from a generalist position to that of a multi-specialist (individual solutions).
 - Branch out into new business niches in markets in which we are already present (India, Middle East, Eastern Europe and black Africa).
 - Extend successful formulas to other countries in which we are already present (fresh products).

Differentiation and innovation. The Ebro Foods Group is firmly committed to investment in products along two lines:

- ◆ Research, development and innovation (R+D+I), through four research, development and innovation centres of our own and an investment policy with which new ideas and consumption needs can be developed into real products for our clients.
- ◆ Support for leading brands in our segment of activity, investing in advertising to underpin their development.

Low risk exposure. Recent years have been marked by increased instability on the commodity markets and ever-faster changes in consumption patterns. The Ebro Group faces these challenges with a firm vocation to adapt to change and maintain its market positions. To achieve this, it keeps on an even keel with recurring income sources (markets, currencies), low leverage to be able to grow without exposure to financial turmoil, new supply channels and long-term relationships with stakeholders (customers, suppliers, authorities, employees and society).