

2 Strategy



Strategy

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

- ▶ Achieve a global position, being open to the incorporation of related products (such as value-added pulses).
- ▶ Reaffirm itself as a benchmark business group in its different areas of activity.
- ▶ Lead innovation in the geographical areas in which it operates.
- ▶ And position itself as a responsible company, committed to social well-being, environmental balance and economic progress.

The Group strategy is thus based on a number of general principles of action and growth levers considered essential to increase the value of the business and company's commitment to sustainable development:

PRINCIPLES OF ACTION

- ▶ 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.
- ▶ 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 stakeholders operating directly and indirectly with it.
- ▶ 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.
- ▶ Reject all forms of abuse or violation of the fundamental and universal human rights, in accordance with international laws and practices.
- ▶ Promote a relationship of mutual benefit with the communities in which the Group is present, sensitive to their culture, context and needs.
- ▶ Meet and anticipate our consumers' and customers' needs, offering a broad portfolio of products and differentiated, healthy food.
- ▶ Steer all the company's processes, activities and decisions towards not only generating economic gains, but also protecting the environment, preventing and minimising environmental impacts, optimising the use of natural resources and preserving biodiversity.
- ▶ Develop a framework of responsible, honest, transparent communication and dialogue with stakeholders, setting up perfectly identified stable channels of communication and regularly providing stakeholders with transparent, rigorous, true, specific information on the Group's activities.



GROWTH LEVERS

- ▶ Search for organic and inorganic growth in high-consumption countries and business expansion 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, pizzas, ready meals) and new ranges of higher value-added ingredients.
 - Developing products that offer a complete culinary experience, extending the catalogue with new formats (maxi cups, compacts...), flavours (dry pasta with fresh pasta quality, cup range and sauces with fresh quality) and preparations (pan-fried rice and pasta dishes, “Banzai” cups...).
 - Establishing ourselves as leaders of mature markets by outperforming others in product quality. Expanding and leading the premium category. Developing the enormous potential of the Garofalo brand and including the new opportunities arising from the purchase of Bertagni.
 - Expanding our geographical presence and completing our product/country matrix:
 - Search for business opportunities in mature markets with a business profile similar to ours (Transimpex) and in specialist market niches (Celnat, Vegetalia, Geovita), through which we can shift 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: pasta in India, extend the product range in the Middle East or Eastern Europe, or develop the pan-fried gnocchi range in Canada.
- ▶ Taking prominent positions in the healthy and organic foods area, through new concepts based on ancient grains, organic, gluten free, quinoa, etc. The acquisitions of Celnat, Vegetalia y Geovita correspond to this lever.
- ▶ Differentiation and innovation. Ebro Foods invests in products from two approaches:
 - Research, development and innovation (R&D+I), through five 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 customers and consumers.
 - Support for leading brands in their respective segments, investing in advertising to underpin their development..
- ▶ Low risk exposure. The Ebro Group faces changes in the consumer and financial markets and social changes with a firm vocation to adapt to change and maintain its market positions. To achieve this, it seeks: (i) to keep on an even keel with recurring income sources (markets, currencies), (ii) low leverage to be able to grow without exposure to financial turmoil, (iii) new supply channels and (iv) long-term relationships with stakeholders (customers, suppliers, authorities, employees and society).
- ▶ Implementation of sustainability throughout the entire value chain (“from the field to the table”) with the ultimate aims of: (i) increasing and guaranteeing our competitiveness and the financial, environmental and social sustainability of our operations and (ii) offering healthy, differentiated food solutions without compromising the capacity and well being of future generations.