

# 2

## Commitment to the Society



**GOAL:** *Contribute towards building a more egalitarian society by generating a positive impact in our areas of influence.*

The Ebro Group makes a significant contribution to the social and economic development of the communities in which it operates. Its business activities generate wealth through the creation of jobs, payment of salaries, tax contribution, purchase of goods and services from suppliers, distribution of dividends, implementation of welfare programmes, development of environmental initiatives, commitment to the value chain and investment in R&D and innovation.

The Ebro Group distributed among its stakeholders 88% of the income generated during 2017.

## Social Cash Flow

THOUSAND OF €	2017	2016
<b>Economic value generated</b>		
Net turnover	2,506,969	2,459,246
Other income	44,808	51,898
Interest incomes	35,505	28,746
Share of profits of associates	4,290	3,042
	<b>2,591,572</b>	<b>2,542,932</b>
<b>Economic value distributed</b>		
Consumption and other external expenses	(1,331,011)	(1,314,475)
Employees benefits	(338,975)	(331,443)
Other operating expenses	(531,026)	(523,785)
Interest expenses	(46,562)	(36,803)
Corporate income tax	(34,157)	(83,591)
Net income from discontinued operations	0	0
Dividends (*)	(93,771)	(85,676)
	<b>(2,281,731)</b>	<b>(2,375,773)</b>
<b>Economic value retained</b>	<b>309,841</b>	<b>167,159</b>

(\*) Dividends paid in the corresponding year

**Ratio of the entry level wage paid by the Group to its employees compared to the local minimum wage stipulated by law**

**[EC-5]**

*(broken down by significant business units and business units in developing countries)*

SIGNIFICANT BUSINESS UNITS	RATIO
Herba Ricemills (Spain)	1.75
Panzani (France)	1.09
Riviana (USA)	1.98

BUSINESS UNITS IN DEVELOPING COUNTRIES	RATIO
Herba Egypt (Egypt)	1.23
Ebro India (India)	1.15
Mundi Riz (Morocco)	1.00

**Percentage of senior management hired from the local community**

**[EC-6]**

*(broken down by significant business units and business units in developing countries)*

SIGNIFICANT BUSINESS UNITS	NATIONAL EXECUTIVES
Herba Ricemills (Spain)	89%
Panzani (France)	100%
Riviana (USA)	56%

BUSINESS UNITS IN DEVELOPING COUNTRIES	NATIONAL EXECUTIVES
Ebro India (India)	81%
Herba Egypt (Egypt)	67%
Mundi Riz (Morocco)	100%



# Commitment to Public Administration

With a view to guaranteeing responsible compliance with the tax laws in place in the jurisdictions in which it operates, the Ebro Group has developed principles to secure transparent, honest tax management and payment of taxes.

The Ebro Group does not use opaque structures consisting of interposing base companies in low-tax or non-tax countries and/or territories not cooperating with the tax authorities. Nor does it engage in any activities in any of the jurisdictions included on the list of tax havens, incorporated in Spanish law through Supplementary Provision 1 of the Tax Fraud Prevention Measures Act 36/2006, as amended by Final Provision 2 of Act 26/2014 of 27 November.

In 2017, the Ebro Group directly paid over €97.6 million to the tax authorities in the different countries in which it operates.



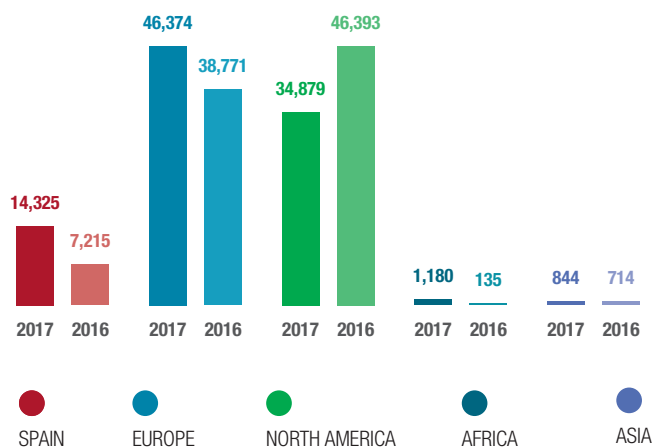
**97,602**  
(000€)  
2017 TOTAL TAXES PAID

**93,228**  
(000€)  
2016 TOTAL TAXES PAID

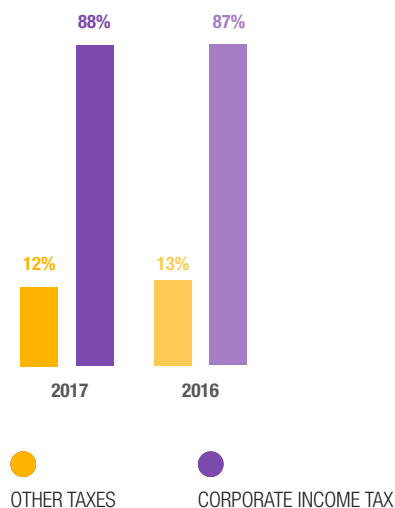
## Ratio of tax paid to turnover by geographical areas (000€)

2017	TURNOVER	TAX	%
Spain	167,875	14,325	8.53%
Rest of Europe	1,224,008	46,374	3.79%
North America	928,302	34,879	3.76%
Africa	46,398	1,180	2.54%
Asia	129,927	844	0.65%

## Breakdown of taxes paid by geographical areas



## Breakdown of type of taxes paid



# Anti-Corruption Commitment

[SO3 / SO4 / SO5]

To minimise the risks of corruption and bribery in the performance of its business activities, the Ebro Group has developed a corporate Code of Conduct (COC) (<http://www.ebrofoods.es/en/corporate-social-responsibility/code-of-conduct/code-of-conduct/>), of which all the employees of the organisation have been duly informed and which has been signed and accepted by each and every one of them.

In point 29, the COC expressly contemplates measures against corruption, bribery, illegal commissions, influence peddling and money laundering, expressing the Ebro Group's undertaking to eradicate all forms of corruption within its companies.

In addition, the following companies of the Ebro Group have specific policies against corruption, bribery, unfair trading practices, non-compliance and contributions to political parties and trade unions:

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## CORRUPTION

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Arrozeiras Mundiarroz  
Catelli  
Ebro India  
Garofalo  
Herba Bangkok  
Herba Ricemills  
Lassie  
Mundi Riso  
Mundiriz  
Panzani  
Rivera del Arroz  
Riviana Arroz  
Stevens&Brotherton Herba Foods

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## BRIBERY

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Arrozeiras Mundiarroz  
Catelli  
Ebro India  
Garofalo  
Herba Bangkok  
Herba Ricemills  
Lassie  
Mundi Riso  
Mundiriz  
Panzani  
Rivera del Arroz  
Riviana Arroz  
Stevens&Brotherton Herba Foods

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**UNFAIR TRADING PRACTICES**

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Arrozeiras Mundiarroz  
Catelli  
Ebro India  
Herba Bangkok  
Herba Ricemills  
Lassie  
Mundi Riso  
Mundiriz  
Panzani  
Rivera del Arroz  
Riviana Arroz  
Stevens&Brotherton Herba Foods

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**NON-COMPLIANCE**

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Arrozeiras Mundiarroz  
Catelli  
Ebro India  
Garofalo  
Herba Bangkok  
Herba Ricemills  
Lassie  
Mundi Riso  
Mundiriz  
Panzani  
Rivera del Arroz  
Riviana Arroz  
Stevens&Brotherton Herba Foods

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**CONTRIBUTIONS TO POLITICAL PARTIES AND TRADE UNIONS**

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Arrozeiras Mundiarroz  
Ebro India  
Herba Bangkok  
Herba Ricemills  
Lassie  
Mundi Riso  
Mundiriz  
Rivera del Arroz

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In the same context, the following companies of the Ebro Group have provided training on anti-corruption to all their employees:

- ▶ Arrozeiras Mundiarroz
- ▶ Catelli Foods
- ▶ Ebro India
- ▶ Herba Bangkok
- ▶ Herba Ricemills
- ▶ Lassie
- ▶ Mundi Riso
- ▶ Mundiriz
- ▶ Riviana Arroz

No cases of corruption have been reported in any companies of the Ebro Group or any of their business partners.

### **Public policy** **[SO6]**

The Ebro Group declares its political neutrality and establishes in its COC the prohibition for its professionals to make any contributions to political parties, authorities, organisations, public administration and institutions in general in its name or on behalf of any of the companies in the Ebro Group.

All relations with the authorities, regulatory bodies and government departments are conducted according to the principle of maximum cooperation and transparency, without prejudice to defence of the Group's legitimate interests.

### **Regulatory compliance** **[SO8 – SO11]**

None of the companies in the Ebro Group have been fined for non-compliance with the law or regulations, or received any grievances about impacts on society.



# Commitment to the Development of local communities

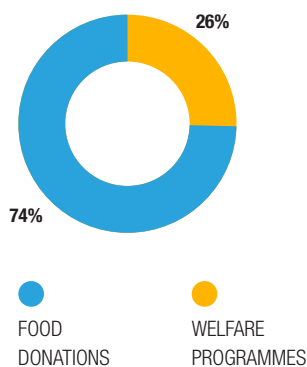
[SO1 / SO2]

One of the main pillars of social responsibility action within the Ebro Group is ensuring the well being and socio-economic development of the local communities directly related with our business activities.

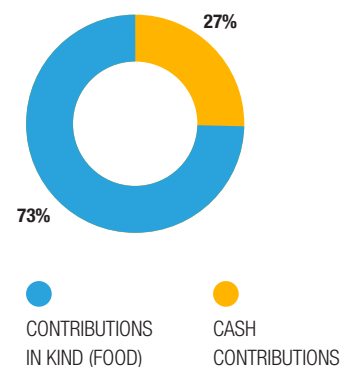
During 2017 the company, through the Ebro Foundation and its different companies, has allocated over €2,250,000 to implementing this commitment. The Ebro Group and the Ebro Foundation have participated in projects created by different not-for-profit organisations and promoted and developed motu proprio initiatives of social and environmental interest.

The Ebro Group has not received any grievances or claims regarding possible negative impacts on the local communities in which it operates.

Social contributions in 2017



Type of contributions





## Donations of food

One of the Ebro Group's main lines of social action is the donation of food, either to the food banks in the principal countries in which it operates or to different welfare organisations and associations, mainly in Spain

### Donations to food banks

Total donations to food banks by Group companies in Spain, France, USA and Canada amounted to over €1,650,000 in 2017.

In Spain, as well as food deliveries to different food banks by Herba Ricemills, the Ebro Foundation also contributed €100,000 in cash to the Spanish Federation of Food Banks (FESBAL) to buy the boxes used for the massive food collection organised at the end of November 2017.

### Ratio of turnover to donations to food banks (by geographical areas)

COUNTRY (€)	TURNOVER	DONATIONS	%
SPAIN	167,875,000	207,129	0.12%
USA	837,986,000	674,118	0.08%
CANADA	131,521,000	108,679	0.08%
FRANCE	706,912,000	764,867	0.11%

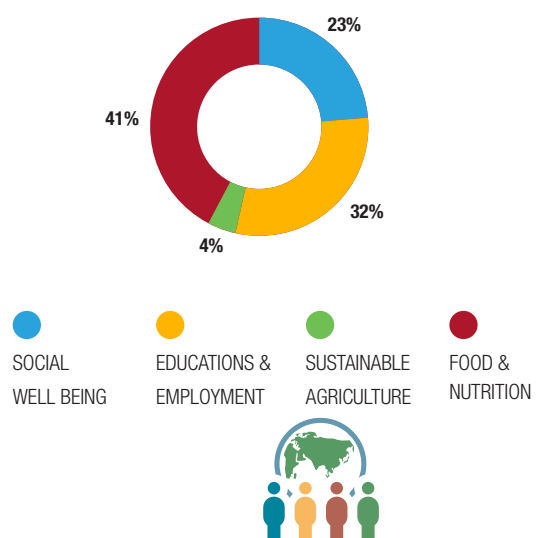
## Welfare Programmes

In its determination to contribute to sustainable development of the communities in which it operates, the commitment to society of the Ebro Group and the Foundation is also developed through social initiatives set up in the areas of food and nutrition, education, research and promotion of employment and sustainable agriculture. A very large proportion of these actions is carried out by the Ebro Foundation.

### Principal activities of the Ebro Foundation in 2017



### Types of welfare programmes in 2017



## WELFARE PROGRAMMES IN FOOD AND NUTRITION

### Social assistance and school meal grants

Our collaboration in this area has focused not only on monetary contributions to soup kitchens and social assistance organisations to buy food, but also on paying school meal grants for children at risk of social exclusion.

Some of these actions are described below:

#### 1. SEVILLE

- ▶ **San Juan de Acre soup kitchen**, run by **Orden de Malta**. This soup kitchen, promoted by the Andalusian Delegation of Orden de Malta, has served more than 260,081 meals over seven years with an average number of daily users of 401. It now provides important support for numerous families in the capital of Andalusia.
- ▶ **San Vicente de Paul soup kitchen**, monetary contribution to buy food for the soup kitchen. In addition to the soup kitchen, it has other services such as hygiene, information and welfare guidance, etc. They assist 350 people on average a day.
- ▶ **San Juan de Dios soup kitchen in Seville**: monetary contribution to buy food for the soup kitchen and to deliver food to persons in need. The soup kitchen, open from Monday to Friday, is able to provide meals for 120 people a day. Over 81,464 kg of food has been distributed to people in need, helping 153 families a month, so a total of 590 people benefiting from this service. Some 1,266 deliveries were made to families with children or elderly relatives under their charge.
- ▶ Through the **Fundación de Enseñanza Victoria Díez**, 7 school meal grants were financed at the Corpus Christi School for children whose families have no income, so that their children would have a balanced diet.

#### 2. MADRID

- ▶ Economic assistance for the soup kitchen in the Ventas district of Madrid, run by Asociación **Manos de Ayuda Social**. The aim is to provide a soup kitchen in the Ciudad Lineal district to meet basic needs and a right: to food, offering correct nutrition while providing elements for healthy eating habits and promoting a warm environment where people at the risk of social exclusion feel welcome, finding ways to help them to find a job and participate in society. Some 100 people a day on average are served.
- ▶ Economic contribution to **ONG Olvidados** to buy food for underprivileged families. Overall, some 2,000 families in the southern districts of Madrid have benefited from this assistance. Food was distributed in all cases based on criteria of vulnerability of the families and the number of children. The people in charge of the centres know the families and their needs and guarantee fair distribution.
- ▶ Monetary donation to **Orden de Malta** to buy food for the Virgen de la Candelaria soup kitchen in the San Blas district. Fundación Hospitalaria de la Orden de Malta in Spain assists the groups in greatest need: the destitute, elderly and women, men and children in a situation of social exclusion. The soup kitchen serves some 127 users a day.

- ▶ **Asociación Achalay:** economic assistance to buy food. This programme was set up at the end of 2012, in the light of the huge impact of the economic crisis on the San Blas district in Madrid. Staple food is provided for families on a monthly basis. The needs of each family are met, prioritising assistance and following up each case with a view to supporting the inclusion process designed for each household. There were 273 beneficiaries in 2017, 159 of whom were minors.

### 3. L'ALDEA (TARRAGONA)

- ▶ Economic support to **Caritas Parroquial** to buy staple foods and distribute them among deprived families, 1,754 in number. We also funded school meals grants for 24 children.

### 4. VALENCIA

- ▶ Economic support to the **NGO Nueva Acrópolis** for its soup kitchen and the distribution of food among those most in need. The number of beneficiaries was approximately 230 people.
- ▶ Economic assistance for **Asociación Ayuda una Familia** to buy food. Beneficiaries: 30.

### 5. UGANDA

- ▶ Through the **NGO África Directo**, the Foundation has provided economic support for the emergency feeding of over 300,000 refugees from South Sudan at the Bidi Bidi refugee camp in Uganda, the largest in the world.



## Programmes in the areas of food and nutrition

The work done by the company in the area of food goes beyond mere social assistance or the donation of food. It also includes the participation in programmes that combine food and health, food and social development, and food and environmental sustainability.

The best examples of this area of action in 2017 were:

- ▶ In collaboration with **Asociación Red Madre** in Madrid, the “Rechupete” Project includes training courses on food and care for pregnant women at the risk of social exclusion. These courses are given by matrons and paediatricians and also inform them on baby care. They were attended by 48 women overall.
- ▶ Young Health Promoters Project run by **Fundación Tomillo**, which aims to establish healthier eating and cooking habits in young people and extend this knowledge and habits through their communities by creating an application for mobiles related with healthy eating. Within the process, the young people have been trained as “expert health promoters”, giving workshops and classes to pupils and schools within their areas. There were 137 direct beneficiaries and approximately 22,000 downloads of the app.
- ▶ Official sponsorship of the 2nd edition of Gastronomix, a social cooking, creative gastronomy and retraining project that offers training in hotel and catering given by chefs from the Basque Culinary Centre in Madrid. Gastronomix is an initiative of **Fundación La Casa y el Mundo**, which gives a second chance to 50 young people from vulnerable environments who are unemployed or want to supplement their training.
- ▶ Collaboration with **Fundación Luis Olivares** in the ninth meeting of Friends of the Association. The Foundation cooperated in the purchase of aprons for the children’s cooking competition. The proceeds from the event are used to help children with cancer and their relatives.

The global investment made in this area in 2017 was €233,420.



## WELFARE ACTION IN GEOGRAPHIC AREAS OF INTEREST

Contributing towards the socio-economic development of the communities in which the Group operates is another important goal within Ebro's commitment to society. Therefore, the Foundation endeavours especially to support projects that are designed to improve the quality of life and equal opportunities of groups at risk of social exclusion who live around its plants.

This welfare action is implemented mainly through the financing of projects organised by local entities, which have a first-hand knowledge of the needs of each area and use all their resources to start up those initiatives.

During 2017, the Foundation allocated €134,226 to collaborating with different entities in Seville, Madrid, Jerez, India, Morocco and Egypt.

Some of these actions were:

### SEVILLE

- ▶ **Proyecto Hombre in Seville:** funding of four grants for drug addiction treatment of destitute youth. Overall, the average cost/user/month in Proyecto Hombre is €300 (€3,600 a year).
- ▶ **Fundación Stop Sanfilippo:** sponsorship of the charity run, "I'm running for Borja", held in La Puebla del Río to raise funds for research of the San Filippo syndrome.
- ▶ **Cáritas Parroquial in San Jose de la Rinconada:** economic aid to meet the cost of food, rent, medicines, electricity, water, etc. of the most deprived people in the town. Workshops have also been run to provide support in education, values, self-respect and employment. 105 families benefited from this action (around 400 people).
- ▶ **Asociación Santa Maria Magdalena in Villamanrique de la Condesa:** financial contribution for the Epiphany Procession.
- ▶ Economic donation to the **Spanish Cancer Association** for the Epiphany Procession in Seville.
- ▶ Financial support for **Fundación Auxilia in Seville.**
- ▶ Assistance to the **Alzheimer's Association in San Juan de Aznalfarache** for its programmes for the prevention, awareness and assistance of persons with dementia. Number of beneficiaries: 159.
- ▶ **Asperger's Association in Seville:** economic support to set up an autism information and meeting point. At present, 55 young people and adults have registered with the meeting point project.
- ▶ **Asociación Mater et Magistra:** financial contribution to buy an adapted vehicle for transport of the users of its day centres. Beneficiaries: 105.

## MADRID

- ▶ **Fundación Vianorte Laguna**, monetary donation for the Christmas concert for the benefit of the Paediatric Day Unit for children with rare and advanced diseases. The Unit is free for low-income families and funds were raised with this concert for specialist transport to the Unit.
- ▶ Business Alliance for child vaccination created through **Obra Social La Caixa** to ensure that all the children in underdeveloped countries are vaccinated for two of the diseases with the highest child death rates: pneumonia and diarrhoea. More than €4,800,000 has been raised since 2008, funding vaccinations for over 2.4 million children in different countries of Africa and Latin America.

## JEREZ DE LA FRONTERA

- ▶ “Child’s Play Project” promoted by **San Pablo Parish**. The beneficiaries are girls and boys aged 6-14. They are offered education in values, with monitors as a complementary or alternative reference for what they have around them. Training is also provided for young people over 14 to act as assistant monitors, pre-monitors and monitors. Number of beneficiaries: 55.
- ▶ **Cáritas Española**: economic contribution to lay electricity cables and water pipes and build a septic tank at the La Jara Agroecological Centre. Number of beneficiaries: 155.
- ▶ III Solidarity Dinner started up by **Fundación Prodean** to raise funds for the Forfait Mama programme, a social project for underprivileged pregnant women at the Monkole Hospital in the Congo.

## VALENCIA

- ▶ **Asociación Familias Alzheimer**: economic assistance to hire staff for the care programme for people with mental illness..

## MOROCCO

- ▶ Financing of school transport for children from the kabilas next to our factory, who have no means for getting to school. Funds were also provided to buy school material for one of the nurseries near the plant.

## EGYPT

- ▶ Different projects in the hamlets near our plant: food bags for Ramadan, donations of rice, food for destitute families, etc.

## INDIA

- ▶ Financing of the building of a library and purchase of school material for the new orphanage for 160 girls being built near our plant.

## EDUCATION AND ENTREPRENEURSHIP

This part of the Foundation's work comprises four activities: scholarships, research projects, educational programmes and entrepreneurship and job promotion initiatives.

The overall investment in this area was €184,170, distributed as follows:

### Types of activities



The main actions were:

### Grants and scholarships

#### MADRID

- ▶ **Javeriana Vocational School:** Financing of three Erasmus grants for the Advanced Vocational Course in International Trade for young people with scarce resources.
- ▶ Financing of an **Alumni Scholarship** through **Fundación Universidad Carlos III**. This scholarship is intended for young students with good academic records and scarce resources, mainly from other parts of Spain, enabling them to study at Universidad Carlos III.

#### SEVILLE

- ▶ **Brillante Scholarships at the Loyola Leadership Universidad:** one scholarship per student per year, up to a total of four.

#### INDIA

- ▶ Award of 10 scholarships to the best female tenth-grade students in the State of Haryana, where our Ebro India plant is situated.
- ▶ The Ebro Foundation, in collaboration with Ebro India, is providing financial support for 20 students in vulnerable situations at two industrial training schools near our plant, so that they can subsequently study a university degree. The students are selected according to a scale established by the heads of the schools and Ebro India, which has set up an internal committee to oversee the project.

## Research

### BARCELONA

- ▶ **Fero Foundation:** financial contribution for a cancer research grant.

## Education Programmes

### SEVILLE

- ▶ Balia Sevilla Programme, promoted by the **Balia Foundation** for the social and educational development of children and adolescents in a situation of poverty. It seeks to boost the talent and abilities of children and adolescents at risk of exclusion so that they have a chance to become integrated adults and contribute to the economic and social benefit of the community. This programme is run in the Tres Barrios-Amate district of Seville. The Balia Sevilla Programme is a consolidated project, having been running for more than three years. It has 256 beneficiaries.

### MADRID

- ▶ Aula Laboral Project for persons with disability from the **Capacis Foundation**. The main aim is to meet a large social demand with a very specific profile within intellectual disability, borderline intelligence, for which there are barely any resources. The pupils are offered quality training and job guidance, based on an education in values and permanent training to develop their professional skills. It has a duration of two years and there are 24 pupils participating in the programme.

### VALENCIA

- ▶ **Silla Town Council** (Valencia): workshops for the social and labour market inclusion of special groups. The project is directed at youngsters aged 14-18 at school and unemployed youths up to age 25. The programme aims to provide individual assistance to each of the young people participating, giving priority at all times to their training as specialist workers and establishing roadmaps for adequate integration in each case. The number of pupils is 93.
- ▶ **Benifaió Town Council**, school back-up project for 35 pupils aged 6-12 in the town at risk of exclusion. The programme works on developing adequate study habits and acquiring social skills by participating in leisure and free time activities and conflict resolution workshops.

### JEREZ DE LA FRONTERA

- ▶ **Promociona Programme** run by the **Romani Secretariat Foundation**. This is an education project aimed mainly at Romani pupils in the final cycle of primary education and in compulsory secondary education. They are pupils in a regular schooling situation, but with a very high risk of abandonment unless they receive a mentor who guides and directs them. The number of beneficiaries is 43.



## Job promotion and entrepreneurship initiatives

### MOROCCO

- ▶ In collaboration with the **Codespa Foundation**, training programme for young Moroccans in a situation of vulnerability who live in the kabilas near the rice business of the Ebro Group in Morocco.

The programme, called ‘Vocational Training for Young People at Risk of Social Exclusion in Chlihat’, has enabled 14 young men and women to specialise as kitchen/bakery assistants or waiters/waitresses for subsequent labour market integration in catering. The project will continue in 2018.

### SEVILLE

- ▶ In collaboration with the **Santa María la Real Foundation** and the town council of La Puebla del Río, the Ebro Foundation has promoted an **Employment Launcher** in the town. This is a pioneer programme in the fight against unemployment, which operates all over the country with an average rate of job-finding of over 50%. Fundación Santa María la Real (which also set up the Vocational Schools (‘Escuelas Taller’) decades ago) manages the launcher, the Ebro Foundation finances it and the Town Council assigns the infrastructures and spaces for running the programme.

27 people of different ages participated and 63% found jobs.

### MADRID

- ▶ **Food Evolutions**, the first acceleration programme specialising in foodtech organised in Spain to stimulate entrepreneurship and disruptive innovation in the food industry. During the 8 weeks of the programme, the founders of the 5 startups selected received specialist mentoring in branding, packaging, creativity, product, distribution, sales, marketing, finance and skills for pitching investors. This has enabled the entrepreneurs to make their business plans practicable and prepare themselves to find the best investors to accompany them in their business venture.



## Sustainable procurement

The Foundation also plays an important role in the sustainable sourcing strategy put into practice by the Ebro Group. It develops and promotes programmes for implementing crop standards that are sustainable from a social and environmental point of view in our principal raw material sourcing regions.

### EBRO DELTA

- ▶ Continuation with the Climate Smart Agriculture Project in the Ebro Delta in collaboration with the IRTA and Kellogg.

### ITALY

- ▶ SAIRISI Project led by the SAI Platform and launched at the end of 2015 together with Unilever, Kellogg and Migros, all members of the Rice Group in the platform.

### INDIA

- ▶ Led by volunteers from our subsidiary Ebro India, the EKTA programme (Ebro India Kissan Training and Awareness Program) aims to provide training for growers in state-of-the-art growing techniques, increase the yield of their production and educate them in a good use of pesticides, one of the greatest problems of rice-growing in that country.



## Ebro India Kisan Training & Awareness Program



**The EKTA Project was distinguished with one of the three prizes in the VIII SERES Awards 2017. This award recognises EKTA as a strategic, innovating project that generates value for both the company and society.**

**During 2017, EKTA set up 50 rural schools, providing training for around 3,500 growers. Overall, since the programme began in mid-2015, over one hundred rural schools have been set up, training some 7,000 growers.**



### NOTES

- \* Further information on our sustainable agriculture projects can be found in the chapter “Management of the supply chain”.*
- \* All the information on the projects developed by the Foundation in 2017 is published on the website [www.fundacionebrofoods.es](http://www.fundacionebrofoods.es)*