

NON-FINANCIAL STATEMENTS

EBRO FOODS, S.A.

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ABOUT THIS REPORT

This Report contains the Non-Financial Statements of Ebro Foods, S.A. and are part of the company's Management Report in the Consolidated Annual Accounts.

Reporting Period

2018

Reporting Framework

In this statement we report on the social, environmental and/or economic aspects that are important for the Ebro Group, based on the Global Reporting Initiative (GRI) reporting framework in its GRI Standards.

Scope and Coverage of the Reporting

This reporting presents consolidated information on the economic, environmental and social performance of the companies and industrial sites operating the core businesses of the Ebro Group.

The following subsidiaries are included:

COMPANY	COUNTRY	BUSINESS AREA
Arrozeiras Mundiarroz, S.A.	Portugal	Rice
Arotz Foods, S.A.	Spain	Others
Bertagni 1882, S.p.A.	Italy	Pasta
Boost Nutrition, C.V.	Belgium	Rice
Catelli Foods Corporation	Canada	Pasta
Celnat, S.A.S	France	Organic food
Ebro Foods, S.A.	Spain	Parent (Holding)
Ebrofrost Holding, GmbH	Germany, Denmark & UK	Rice, pasta & frozen foods
Ebro India, Private Ltd.	India	Rice
Euryza GmbH	Germany	Rice

Geovita Functional Ingredients, S.R.L.	Italy	Ingredients
Herba Bangkok, S.L.	Thailand	Rice
Herba Cambodia Co. Ltd	Cambodia	Rice
Herba Egypt Ricemills, Ltd	Egypt	Rice
Herba Ingredients, B.V.	Netherlands & Belgium	Ingredients
Herba Ricemills, S.L.U.	Spain	Rice
Herba Ricemills Rom, S.R.L.	Romania	Rice
Jiloca Industrial, S.A.	Spain	Others
Lassie, B.V.	Netherlands	Rice
Lustucru Frais, S.A.S.	France	Rice & pasta
Mundi Riso, S.R.L.	Italy	Rice
Mundi Riz, S.A.	Morocco	Rice
Panzani, S.A.S.	France	Pasta
Pastificio Lucio Garofalo, Spa	Italy	Pasta
Riceland Magyarorzag, KFT	Hungary	Rice
Riviana Foods, Inc.	USA	Rice & pasta
Roland Monterrat, S.A.S	France	Ready-to-serve fresh meals
Santa Rita Harinas, S.L.U.	Spain	Others
Stevens&Brotherton Herba Foods, Ltd.	UK	Rice
Vegetalia, S.L.	Spain	Organic food

NB: The information on Transimpex (a company in which the Group has a 55% interest) has not been included in this report. This company accounts for 1.43% of consolidated Sales and 1.77% of the consolidated EBITDA.

The following industrial sites (production plants and warehouses) are included in the environmental reporting:

COMPANY	COUNTRY	NAME OF WORKPLACE
Arrozeiras Mundiarroz	Portugal	Coruche
Arotz	Spain	Navaleno
Bertagni	Italy	Avio
		Vicenza
Boost Nutrition	Belgium	Merksem
Catelli Foods Corporation	Canada	Montreal
		Delta
		Hamilton
Celnat	France	Saint Germain Laprade
Ebro India	India	Taraori
Ebrofrost Denmark	Denmark	Orbaek
Ebrofrost Germany	Germany	Offingen
Ebrofrost North America	USA	Delaware
Ebrofrost Uk	UK	Beckley
Fallera Nutrición	Spain	Silla
Geovita	Italy	Bruno
		Nizza Monferrato
		Verona
		Villanova Monferrato
Herba Bangkok	Thailand	Saraburi
Herba Cambodia	Cambodia	Phnom Penh
Herba Egypt	Egypt	Mansoura
Herba Ingredients	Belgium	Schoten
	Netherlands	Wormer
Herba Ricemills	Spain	Coria del Río
		San Juan de Aznalfarache
		Jerez de la Frontera
		Silla
		Algemesí
		La Rinconada
		Los Palacios
Jiloca	Spain	Santa Eulalia
Lassie	Netherlands	Wormer
Lustucru	France	Saint Genis Laval
		Lorette
		Communay

Mundi Riz	Morocco	Larache
Mundiriso	Italy	Vercelli
Panzani	France	La Montre
		Gennevilliers
		Nanterre
		Littoral
		Saint Just
		Vitrolles
Pastificio Lucio Garofalo	Italy	Gragnano
Riviana	USA	Memphis
		Brinkley
		Clearbrook
		Alvin
		Carlisle
		Freeport
		Saint Louis
		Winchester
		Hazen
		Fresno
Roland Monerrat	France	Feillens
S&B Herba Foods	UK	Cambridge
		Liverpool
		Orpington
Santa Rita Harinas	Spain	Loranca de Tajuña
Transimpex	Germany	Lambsheim
Vegetalia	Spain	Castellcir
		Jerez de la Frontera

Changes in the reporting perimeter in respect of 2017

The main changes in the perimeter for consolidated reporting are the inclusion of the environmental and social performance of Geovita Functional Ingredients, S.r.L. (acquisition of 52% in September 2017) and Bertagni 1882, S.p.A. (acquisition of 70% in January 2018).

Contact point for issues regarding the report or its contents

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BUSINESS MODEL

The Ebro Foods Group (“Ebro Foods”, the “Group” or the “Ebro Group”) is the leading food group in Spain, global leader in the rice sector and the second fresh and dry pasta producer worldwide. Through a network of 30 subsidiaries, it operates in the principal rice and pasta markets in Europe, North America and South-East Asia, with a growing presence in other countries.

The main mission of the Ebro Group is to research, create, produce and put on the market high value-added foods that satisfy people’s nutritional needs while improving their health and well-being, endeavouring at the same time to secure a transparent, efficient, sustainable business model.

The Ebro Foods Group is managed by business areas that combine the type of activity they perform and their geographical location. Our core business areas are:

- Rice: This covers the production and distribution of different rice varieties and their by-products and culinary supplements. The industrial and brand business follows a multi-brand model. It is present throughout Europe, the Mediterranean Arc, India and Thailand through companies in the Herba Group, and in North and Central America, the Caribbean and the Middle East through the Riviana Group.
- Pasta: This includes the production and marketing of dry and fresh pasta, sauces, semolina and their by-products and culinary supplements, through the Riviana Group (North America), the Panzani Group (France) and Garofalo (rest of world).
- Healthy and organic food: The last business area to be incorporated in the Group is being developed around the latest acquisitions (Celnat, Vegetalia and Geovita) and the activities related with health and organic products in all our subsidiaries. The area is structured under the umbrella of Alimentation Santé and presented within the Pasta Business.

The Group has a decentralised culture in certain management areas, with a business approach and a light, dynamic structure, in which priority is given to practicality, coherence and knowledge of the market.

Decision-making is driven by the board of directors of the parent company (Ebro Foods, S.A.), which is responsible for defining the Group’s general strategy and management guidelines.

Strategy

Group strategy is intended to make the Group a major player in the rice, pasta and healthy grains markets, and in other cross categories defined as “meal solutions”. Within that strategy, the Group has the following goals:

- ✚ Reach a global position open to the incorporation of related products (such as value-added pulses).
- ✚ Consolidate our status as a benchmark business group in our different business areas.
- ✚ Lead innovation in the geographical areas in which we are present.
- ✚ And establish ourselves as a responsible enterprise, committed to social well-being, environmental balance and economic progress.

To refine its strategy, the Group is underpinned by general principles of conduct and growth levers that are considered vital to raise the value of our business and our firm commitment to sustainable development:

Principles of conduct

- ✚ Foster ethical management based on good governance practices and fair competition.
- ✚ Comply with the laws in place, acting at all times with a view to preventing and minimising risks, not only economic, but also social and environmental risks, including tax risks.
- ✚ Seek a return on investment while guaranteeing the operational and financial soundness of its business activities. Uphold business profit as one of the bases for the future sustainability of the company and the large groups of agents directly and indirectly related 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 any form of abuse or violation of the fundamental and universal rights, in accordance with international law and practice.
- ✚ Promote a relationship of mutual benefit with the communities in which the Group is present, proving ourselves sensitive to their cultures, contexts and needs.
- ✚ Satisfy and anticipate the needs of our customers and end consumers, offering a broad array of products and healthy, differentiated food.
- ✚ Steer the company's processes, activities and decisions not only to generate profits, but also to protect the environment, prevent and minimise environmental impact, optimise the use of natural resources and preserve biodiversity.
- ✚ Develop a framework of responsible, true, transparent dialogue and communication with stakeholders, establishing stable and clearly defined

communication channels and providing stakeholders regularly and transparently with rigorous, true, important information on the Group's activities.

Growth levers

- ✚ Organic and inorganic growth in high-consumption countries and expansion of business in developing countries with high growth potential.
 - Move into new territories or categories, paying special attention to new fresh products (snacks, crisps, omelettes, sandwiches, pizzas, ready-to-serve meals) and new ranges of ingredients with greater value added.
 - Develop products that offer a complete culinary experience, extending our catalogue with new formats (maxi cup, compact, etc.), flavours (dry pasta with the quality of fresh pasta, range of in-a-cup products, fresh-quality sauces) and ready-to-serve meals (rice and pastas in the pan, "Banzai" cups, etc.).
 - Achieve leadership in mature markets, opting for differentiation based on product quality. Expand and lead the premium category. Develop the enormous potential of the Garofalo brand and incorporate the new opportunities arising from the purchase of Bertagni.
 - Broaden our geographical presence and complete our product/country matrix:
 - Seek business opportunities in mature markets with a business profile similar to ours and in specialist market niches that allow us to shift our strategy from a generalist position to that of a multi-specialist (individual solutions).
 - Expand into new business segments within markets in which we are already present: pasta in India, broaden the range of products in the Middle East or Eastern Europe, and develop the skillet gnocchi range in Canada.
- ✚ Significant positioning in the healthy and organic foods segment through new concepts based on ancient grains, organic, gluten free, quinoa, etc.
- ✚ Differentiation and innovation. Ebro Foods invests in two aspects to enhance its product range:
 - Research, development (R&D) and innovation through its five research, development and innovation centres and an investment policy that enables us to convert new ideas and needs into reality for our customers and end consumers.

- Focus on leading brands in their respective segments, together with a commitment to invest in advertising to promote their development.
- ✚ Low risk exposure. The Ebro Group deals with change in the consumer and financial markets and social change with a firm vocation to adaptation and permanence. To achieve this it endeavours to secure: (i) balanced sources of recurring income (markets, currencies), (ii) low leverage so that it can grow without exposure to “financial turmoil”, (iii) new supply channels and (iv) long-term relations with its stakeholders (customers, suppliers, authorities, employees and society).
- ✚ Implementation of sustainability throughout the entire value chain (“from the field to the table”) with the ultimate aim of: (i) increasing and securing competitiveness, financial, environmental and social sustainability of operations and (ii) offering healthy, differentiated food solutions that foster and seek the preservation of natural resources and well being of society, guaranteeing it for future generations.

Global Presence

The Ebro Group operates worldwide in 85 countries, with industrial and commercial establishments in 16 of them. In the remaining 69 countries, we only engage in commercial activity. Our industrial park comprises some 63 sites, between production plants and warehouses.

Countries with commercial and industrial presence

Germany	France
Belgium	Netherlands
Cambodia	India
Canada	Italy
Denmark	Morocco
Egypt	Portugal
Spain	UK
USA	Thailand

Countries with only commercial presence

Angola	Estonia	Lithuania	Senegal
Saudi Arabia	Finland	Madagascar	South Africa
Algeria	Gabon	Mauritius	Sweden
Austria	Ghana	Mauritania	Switzerland
Bahamas	Greece	Mexico	Taiwan
Bahrein	Guinea	Mozambique	Trinidad & Tobago
Barbados	Haiti	Niger	Tunisia
Belize	Hungary	Oman	Turkey
Benin	Indonesia	Panama	Ukraine
Brazil	Reunion Island	Peru	Yemen
Cambodia	Iceland	Poland	Djibouti
Chile	Israel	Qatar	
Colombia	Jamaica	DR Congo	
South Korea	Japan	Czech Republic	
Ivory Coast	Jordan	Romania	
Curazao	Kuwait	Russia	
United Arab Emirates	Lebanon	Saint Martin	
Slovakia	Libya	Saint Lucia	

CORPORATE SOCIAL RESPONSIBILITY MODEL

The Ebro Group considers sustainable growth one of the basic pillars of its management strategy, to secure its consolidation as a benchmark business group in its areas of activity and position itself as a global, sound, innovative, responsible enterprise committed to social well-being, environmental balance and economic progress. Accordingly, it has incorporated environmental, social and ethical criteria in its decision-making processes, alongside the typical economic variables.

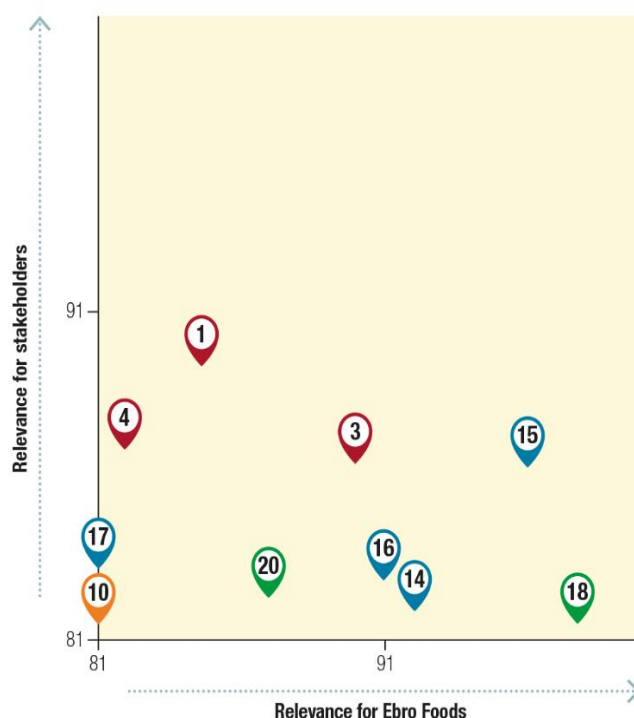
In this context, the Ebro Group views Corporate Social Responsibility (CSR) as the creation of a sustainable business model, which, as well as contributing value, profitability and competitiveness, contributes towards the progress of society, generates trust among our stakeholders and leads to the creation of shared value for all those who interact with us in our business activities.

The Group has followed a four-stage procedure to define and design this CSR model:

1. Diagnosis of the sustainability measures taken by the different companies in the Group.
2. Detailed analysis of our value chain with a view to identifying the potential risks and impacts, both positive and negative, of our operations. Within this process we have identified three key areas, in which we can make the most valuable contributions to society, as they are inherent in our core business and present throughout the entire chain: (i) nutrition and health, (ii) agricultural development, by promoting and implementing sustainable agricultural practices, and (iii) environmental management.
3. Constant dialogue with our internal and external stakeholders, which has enabled us to identify their main concerns and incorporate their suggestions in the design and implementation of the Group's action plans.
4. Materiality analysis: In 2017 we updated our materiality analysis, assisted by Forética. That analysis collected the expectations of our stakeholders (authorities, customers, employees, investors, media, NGOs and suppliers) in Spain, North America, France, Italy, Netherlands, India and Morocco, and from our own corporate administration, represented by the Audit and Compliance Committee.

After identifying the principal challenges and opportunities of the Group in respect of sustainability and benchmarking the positioning of other companies in the food sector, we established 23 important topics for consultation, classified into 8 different areas: (i) health and safety of direct and indirect workers, (ii) job quality, (iii) positive social and economic impact on society, (iv) driving force for innovation, (v) promotion of healthy food, (vi) maximising food safety and quality, (vii) implementation of environmental policies and (viii) good governance, integrity and transparency.

Global materiality matrix



Three aspects stand out for their relevance for the organization and its stakeholders:



Maximizing sustainability, quality and food safety all along the value chain.



Preventing accidents and damage by enhancing workplace safety (direct and indirect production and distribution employees)

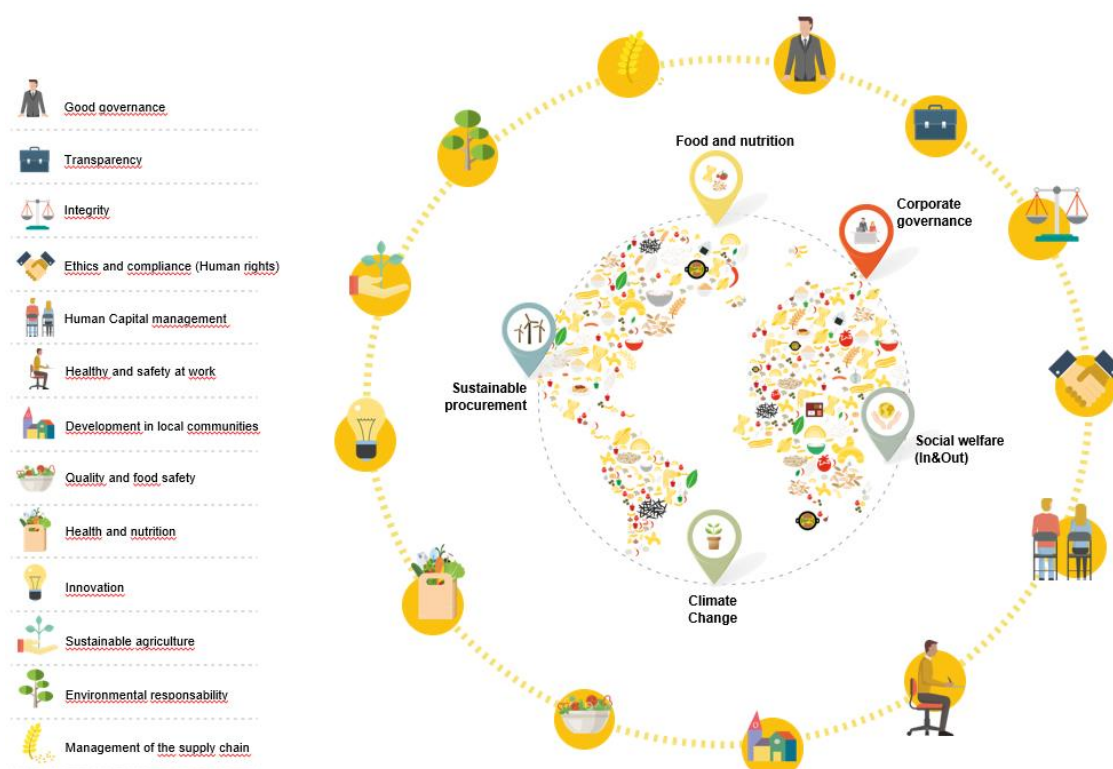


Implementing environmental policies (particularly those related with climate change and responsible water management)

HEALTH AND SAFETY OF WORKERS (DIRECT AND INDIRECT)	
1	Prevent and avoid accidents and damage by improving the safety of direct and indirect jobs
3	Promote compliance with human rights throughout the supply chain
JOB QUALITY	
4	Manage human resources responsibly (equality, work-life balance, diversity)
DRIVING FORCE FOR INNOVATION	
10	Invest in developing better food solutions for society
PROMOTE HEALTHY, SUSTAINABLE FOOD	
14	Use raw materials based on environmental and social sustainable principles as ingredients for ready-to-serve dishes
15	Promote sustainable growing and production of the principal raw materials used
16	Foster sustainable good practices throughout the supply chain
MAXIMISE FOOD QUALITY AND SAFETY	
17	Promote the implementation of management systems and tools to maximise quality and information for consumers
IMPLEMENT ENVIRONMENTAL POLICIES	
18	Make the fight against climate change one of the organisation's focal points
20	Develop policies and make investments to reduce and optimise water consumption

Five strategic focal points have been identified through this procedure: **Our Team, Our Community, Our Public, Our Shareholders and Our Environment**, and five areas for action organised around the economic, environmental, social and governance pillars, namely: **Corporate Governance, In&Out Social Well Being, Food and Nutrition, Sustainable Procurement and Climate Change**.

Thirteen principal working priorities are established around these focal points and areas for action to guarantee sustainability in each aspect of our business.



To secure effective development of these 13 priorities, last December the board of directors of Ebro Foods approved the Global Sustainability Plan “Heading for 2030”, with the slogan “Caring for you, Caring for the earth, Caring for food”. The Plan lays out the guidelines and action plans to be followed by the Ebro Group from 2019 to 2030 to: (i) implement and guarantee sustainability throughout its value chain, (ii) satisfy the demands and expectations of its stakeholders and (iii) contribute towards achievement of the Agenda 2030.

Alliances with environmental and social entities and initiatives

The Ebro Group and its Foundation belong to or have established alliances with different organisations or multi-stakeholder platforms that encourage and channel companies' commitment to society and the environment. Through these alliances they can give greater scope to the actions developed within their CSR strategy. Some of the important organisations are:

 Network Spain WE SUPPORT	Signatory of the United Nations Global Compact www.pactomundial.org
	Member of the Redistribution Committee of the Spanish Commercial Coding Association (AECOC) project against food waste "Don't waste food, use it" http://www.alimentacionsindesperdicio.com/
	Member of the SERES Foundation http://www.fundacionseres.org/Paginas/Inicio.aspx
	Member of Forética http://www.foretica.org/
	Member of Fundación Lealtad http://www.fundacionlealtad.org/
	Protector member of Fundación Secot http://www.secot.org/

	<p>Sustainable Agriculture Initiative (SAI) Platform</p> <p>http://www.saiplatform.org/</p>
	<p>Sustainable Rice Platform (SRP)</p> <p>http://www.sustainablerice.org/</p>
	<p>Cool Farm Alliance (CFA)</p> <p>https://coolfarmtool.org/cool-farm-alliance/</p>
	<p>Ecovadis</p> <p>https://www.ecovadis.com/es/</p>

External assessments

Since 2015, Ebro Foods has been part of the FTSE4Good Index Series, an international sustainability index that includes companies that prove their commitment and leadership in environmental, social and corporate governance aspects. Inclusion in this index confirms our condition as a socially responsible investment vehicle.

Regulatory framework

In order to define the general guidelines of the Group and its associates, the Ebro Foods board approved in 2015 the following policies and principles of conduct:

1. Code of Conduct of the Ebro Group
2. Supplier Code of Conduct
3. Corporate Social Responsibility Policy
4. Social Policy
5. Risk Control and Management Policy

6. Corporate Governance Policy
7. Internal Code of Market Conduct
8. Policy for Selecting Candidates to be Director
9. Senior Executive Remuneration Policy
10. Dividend Policy
11. Investment and Financing Policy
12. Treasury Stock Policy
13. Policy on Communication and Relations with Shareholders, Institutional Investors and Proxy Advisors

RISK MANAGEMENT

As one of the corporate policies approved by the board of directors, the Risk Control and Management Policy lays down the basic principles and general framework for control and management of our business risks, including tax risks, and internal control of financial reporting to which the Company and other companies in the Group are exposed.

Within this general framework, the integral, homogenous Risk Control and Management System is based on the preparation of a business risk map, where risks are identified and assessed and risk management capacity is graded to obtain a ranking of risks from greater to lesser impact for the Group and their probability of occurrence. The risk map also identifies the measures to mitigate or neutralise the risks identified. The risk universe is grouped into four main groups: compliance, operational, strategic and financial. The first three groups also include the principal non-financial risks related with the company's business:

Operational risks:

1. Food safety. Given the nature of the business, aspects regarding food safety are a critical point to which the Group pays special attention, being bound by a large number of laws and standards in each of the countries in which our products are produced and sold.

The Group's policy is based on the principles of compliance with the laws in force from time to time and guaranteeing food safety and quality.

The food safety programmes are based on following protocols to identify and control certain critical points (Hazard Analysis and Critical Control Points – HACCP-), so that the residual risk is minimal.

The main control points are grouped into:

- Physical points: controls to detect foreign bodies or the presence of metals
- Chemical points: detection of chemical elements or the presence of allergens
- Biological points: presence of elements such as salmonella or any other kind of pathogens

Most of our handling processes have obtained IFS (International Food Safety), SQF (Safe Quality Food) and/or BRC (British Retail Consortium) certificates, recognised by the Global Food Safety Initiative (GFSI) as food product certification standards, as well as local and special product certificates (Kosher, gluten-free or Halal foods).

The Group has also defined, developed and implemented a quality, environment and food safety management system compliant with the requirements of the standards UNE-EN-ISO 9001 (Quality management), UNE-EN-ISO 14001 (Environmental management) and ISO 22000 (Food safety management).

2. Technological (trailing behind) risk. One of the most important tools for standing up to competition is differentiation and product alignment, which is based on constant technological innovation and the endeavour to adapt to consumer desires. The R&D and innovation strategy is a fundamental part of the Group's general strategy. The R&D and innovation departments, in close collaboration with the Commercial and Marketing departments, work on reducing this risk.

This area also includes cyber security risks. The exponential growth of internet access exposes companies and users to different types of attack: identity theft, malware, attacks on websites, zero-day attacks, etc. Accordingly, the company has made an audit of its security and drawn up an action plan that contemplated: (i) on-going training of personnel on these threats, (ii) definition of an adequate network infrastructure (firewalls, Wi-Fi access, network electronics, browsing possibilities and design of connected industrial networks), (iii) correct definition of user points (antivirus, mobile device management systems, permissions, updates) and (iv) programme for data preservation and management (back-ups, use of the cloud, shared information).

Environmental and strategic risks:

1. Environment and natural risks. Drought and flooding in the commodity-producing countries can cause problems of availability and price instability. These natural risks can also affect consumers in the affected regions or even the Group's assets in those locations.

The best way of mitigating this type of risks is to diversify both the sourcing of raw materials and the countries in which our products are sold. The Group also makes sure it has flexible production capacity with plants in four continents, which minimises possible local problems. In addition, the Group has taken out insurance policies covering all its plants and sites, which would mitigate any disaster that could jeopardise their value.

2. Climate change. The effects of climate change are a serious threat to the agri-food sector. As a result of the increase in greenhouse gas emissions, the environment is deteriorating and, consequently, natural resources and biodiversity.

Our industry has a vital role in action against climate change, owing to its direct dependence and impact on natural resources such as soil or water, and its importance for economic activity and society as a whole. In particular, the effects of drought, flooding and adverse meteorological events in the commodity-producing countries can generate problems of availability and price instability of

raw materials. Therefore, the Group must support and invest in sustainable production and consumption, efficient use of resources, sustainability of energy, reduction of food waste, ecodesign and sustainable, efficient logistics. In short, we must comply with the international commitments undertaken at the Paris Climate Summit 2016.

In this regard, in December 2018 the Group approved its Sustainability Plan called Heading for 2030 ("*Rumbo a 2030*"), setting out a number of actions and goals in respect of the environment and supply chain. Those actions include optimisation of water and energy consumption, enhancing waste management, optimising of packaging material and reuse, measurement (carbon footprint) and reduction of emissions, assessment of suppliers against sustainability criteria, and support for sustainable agriculture.

3. Reputational risk. This risk is associated with possible changes of opinion, giving rise to a negative perception of the Group, its brands or products by customers, shareholders, suppliers, market analysts, etc., which could have an adverse effect on the Group's ability to maintain relations (commercial, financial, labour, etc.) with its environment.

To deal with this risk, the Group has approved a Code of Conduct to guarantee ethical, responsible conduct by the organisation, its employees and all persons and institutions with which it interacts in the course of its business activities.

The Group's brands and employees are our most valuable intangible assets, so they are submitted to continuous assessment, considering different aspects, such as management, marketing, health and food safety, compliance and legal defence of intellectual property.

4. Changes in lifestyle. The proliferation of low carbohydrate diets and other food trends can have a bearing on consumers' perception of our products.

These risks can be mitigated by assessing consumption patterns and adapting the offer of products to the alternatives on the market, while participating actively in social forums to encourage healthy habits that are compatible with our products.

Compliance risks

1. Sector regulation. The agro-industrial sector is subject to numerous regulations affecting export and import quotas, customs duties, intervention prices, etc., subject to the guidelines set down by the Common Agricultural Policy (CAP). The Group's activity may also be affected by changes in legislation in the countries where the Group sources raw material or sells its products.

The Group deals with this risk by participating in or echoing the different legal and/or regulatory forums through a number of prestigious professionals who endeavour to secure adequacy and compliance.

Within this group, the increasingly strict laws on the use of fungicides and pesticides on the basic crops for this industry, especially rice, are becoming more and more important and linked to other operational risks such as supply and food safety.

To mitigate this risk, the Group has stepped up its quality controls and checks to detect this type of products, working on a selection of protection providers, who are going to be asked to incorporate sustainability criteria in their policies, and providing more education for growers to seek natural alternatives for these products.

2. General regulation. This includes compliance risks concerning civil, mercantile, criminal and governance laws and regulations. To help deal with criminal risks, the Group has a Crime Prevention Model, which is monitored and controlled by the Compliance Unit.

One specific part concerns respect for and compliance with human rights and maintaining appropriate ethical standards, as contemplated in the Group's Sustainability Plan and Code of Conduct.

3. Tax laws. Any change in the tax laws or their interpretation or application by the competent authorities in the countries in which the Group operates could affect our earnings.


To mitigate this risk, the Group, directed by those responsible for taxation, monitors the tax laws and possible interpretations thereof, requesting specific reports from specialists to support its stand, guided at all times by a principle of prudence in this matter.

In the process of classifying risks, a dynamic assessment is made of both inherent risk and the residual risk after applying the internal controls and protocols established to mitigate them. Those controls include preventive measures together with adequate segregation of duties, clear levels of authorisation and the definition of policies and procedures. These controls can in turn be grouped into manual and automatic, the latter being implemented by computer applications.

This model is both qualitative and quantitative and can be measured in the Group's earnings, so the risk level is considered acceptable or tolerable on a corporate level.

The Risk Control and Management System is dynamic, so the risks to be considered vary with the circumstances in which the Group operates.

The Risk Control and Management System, including tax risks and control of financial reporting, is based on the following structure:

-  The Board of Directors, as the body ultimately responsible, determines the risk control and management policy, including tax risks and control of financial reporting.

- ✚ The Audit and Compliance Committee, through the Risks Committee, supervises and monitors the financial reporting and risk control systems, regularly informing the Board of any material aspects occurring in these areas. It is also responsible for supervising and overseeing internal control of the Group and the risk management systems, and for proposing to the Board the risk control and management policy and any measures for enhancing these areas.
- ✚ The Risks Committee, based on the policy established by the Board and supervised by and answering to the Audit Committee, is specifically responsible for coordinating and monitoring the risk control and management system, including the Group's financial reporting and tax risks. The analysis and assessment of risks associated with new investors also falls within the remit of the Risks Committee.
- ✚ The Management Committees of the different units, on which the Chairman of the Board and the Chief Operating Officer (COO) sit, assess the risks and determine the measures to be implemented.
- ✚ Risk officers in the different units. The Risks Committee appoints officers in the major subsidiaries to monitor the risk control and management system, including tax risks and financial information, and reporting to the Committee.
- ✚ Internal Audit Department. Within the internal audits made of the different subsidiaries, the company's Internal Audit Department checks that the financial reporting and risk management testing and control have been conducted adequately, complying with the indications of the Risks Committee.

NB: A full description of the risks and the measures implemented to reduce them can be found in the Management Report of the Consolidated Annual Accounts.

HUMAN RIGHTS

Ensuring respect for Human Rights throughout our supply chain is one of the Group's priorities in Social Responsibility. We base our criteria in this respect on the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights and the Fundamental Principles and Rights at Work of the International Labour Organization (ILO).

This commitment is set out in: (i) our Code of Conduct, which establishes the principles and values that must underlie the actions of all persons and companies in the Ebro Foods Group, and (ii) our Supplier Code of Conduct, which establishes the principles, standards and business practices to be met by our suppliers and service providers in their relations with the Group and its professionals.

The Group's commitment to Human Rights is set out in Section IV, point 9 of our Code of Conduct. Points 9.1, 9.3, 9.4, 9.5 and 9.6 lay down the Company's guidelines for eliminating discrimination in employment and occupation, eliminating forced or compulsory labour, effectively abolishing child labour and exercising the rights of freedom of association, to join unions and collective bargaining, in accordance with the laws currently in place. The same commitments are set out in points 3.2, 3.3, 3.4 and 3.7 of the Supplier Code of Conduct. Both Codes can be consulted on the Ebro Foods corporate website (<https://www.ebrofoods.es/rse/rse-en-ebro/codigos-y-politicas/>).

The Global Sustainability Plan "Heading for 2030" contemplates a specific working area on Human Rights for the coming years, when the principal landmarks on which we will work will be: (i) the due diligence process, to identify the possible impacts of our organisation on Human Rights; and (ii) the establishment of awareness and training programmes.

Grievance and follow-up mechanisms. The main grievance mechanism is the reporting channel of the Code of Conduct (canaldedenuncias@ebrofoods.es), through which any persons bound by the Code may report any breach of the principles set out therein, under a guarantee of absolute confidentiality. Only the Chairman of the Audit and Compliance Commission of the Group parent has access to that e-mail account, which is protected with IT security systems to prevent any unauthorised access. The Committee Chairman is responsible for prioritising, processing, investigating and solving grievances according to their importance and nature, assisted by the Compliance Unit.

In addition to the confidential reporting channel, the Human Resources Departments of the different companies in the Group can also process, investigate and solve any incidents that may arise within their respective companies.

Five incidents of discrimination were reported in Riviana Foods (USA) during 2018. One incident has already been investigated and solved by Riviana Foods and the other four are pending solution.

Company	Men	Women	Addressed	Solved	Total grievances
Riviana Foods	3	2	5	1	5

External audits are conducted regularly in companies both within and outside the scope of consolidation of the Group as an additional tool for monitoring and control of human rights.

Audits made at Ebro Group workplaces in 2017-2018

Company	Company code	Site name	Site country	Audit date	SMETA Audit	Audit company	Audit scope
Herba Ricemills SLU	ZC1000102	SAN JUAN	SPAIN	08/05/2018	No	Intertek	1. Labor, 2. Wages & hours, 3. Health & safety 4. Management systems 5. Environment
Herba Bangkok S.L.	ZC1047564	Herba Bangkok NK Plant	THAILAND	14/02/2018	Yes	TÜV SÜD (Thailand) Limited	1. Labour Standards
Mundi Riso srl	ZC1069772	Mundi Riso	ITALY	18/12/2017	Yes	SGS CBE	1. Labour Standards, 2. Health & Safety, 3. Environment, 4. Business Ethics
Ebro Foods Nederland BV	ZC1004462	Lassie	NETHERLANDS	10/11/2017	Yes	Intertek UK	1. Labour Standards, 2. Health & Safety, 3. Environment, 4. Business Ethics
Ebro Foods Nederland BV	ZC1004462	Lassie	NETHERLANDS	01/02/2017	Yes	Intertek UK	1. Labour Standards, 2. Health & Safety, 3. Environment, 4. Business Ethics
Herba Ingredients BV	ZC1049496	Herba Ingredients Belgium B	BELGIUM	23/01/2017	Yes	Intertek France	1. Labour Standards, 2. Health & Safety, 3. Environment, 4. Business Ethics
Herba Ingredients BV	ZC1049496	Herba Ingredients Belgium C	BELGIUM	23/01/2017	Yes	Intertek France	1. Labour Standards, 2. Health & Safety, 3. Environment, 4. Business Ethics

Training on human rights policies and procedures given during the year

Specific training on human rights has been given in the following Group companies during the year:

Company	No. employees receiving training	No. hours	Total employees	% total employees
Ebro India	123	246	123	100.00%
Garofalo	134	1	193	69.43%
Herba Bangkok	188	1	188	100.00%
Herba Cambodia	6	3	6	100.00%
S&B Herba Foods	8	2	104	7.69%

The Ebro Group did not have any security personnel on its payroll during 2018.

ANTI-CORRUPTION AND BRIBERY MEASURES

CORRUPTION AND BRIBERY

The Ebro Group has a global Code of Conduct, known to and binding on not only its workers and professionals, but also its customers, suppliers, shareholders and other stakeholders.

The Code of Conduct establishes the principal values that must underlie the Group's conduct, including those of transparency, honesty and strict compliance with the laws and regulations in place.

The Code of Conduct dedicates a specific section (29) to anti-corruption, bribery, illegal commissions, influence peddling and money laundering. It establishes the following general principles: (i) the obligation undertaken by the Group to eradicate any form of corruption and (ii) the absolute prohibition of any form of corruption or bribery. These principles are accompanied by specific rules of conduct designed to guarantee compliance with them.

All the Group's workers and professionals are informed of and accept the Code of Conduct as mandatory. They receive a copy of it when they join the Group (or after any amendment) and formally acknowledge receipt, knowledge thereof and their obligation to comply. This is backed up with a reporting channel through which any interested person may confidentially inform the parent company of any potential infringement of the Code.

The global regulation of the Code of Conduct is backed up locally in the different regions in which the Group operates.

- In the principal Spanish companies, the Ebro Group also has a crime prevention model that identifies the potential criminal risks deriving from its activities and the mitigation measures established to try to eliminate (or minimise as far as possible) the risk of committing criminal offences, which include corruption and bribery. The crime prevention model identifies the measures implemented to mitigate the risk of committing offences of corruption, bribery, influence peddling and money laundering. Its effectiveness and application are monitored and checked regularly by the Compliance Unit, within the reporting system of the current crime prevention model. The Compliance Unit is also working on the definition and implementation of training plans for the workers and professionals of the Spanish companies in the Group on the crime prevention model. The plans are to include specific training in matters concerning corruption and are expected to be put into operation during 2019. Apart from this global training, some Spanish subsidiaries have provided their employees with training in the prevention of criminal risks.

- In pursuance of local legislation (Legislative Decree of 8 June 2001) on companies' liability for certain types of offence (including corruption), the Italian companies in the Group have established organisation and management models that include measures to preclude the risk of committing those offences.
- In the Group's North American subsidiaries, which account for a very large proportion of the Group's business, there are specific policies and measures to control and mitigate the risk of committing this type of offence. In particular, and in pursuance of the special requirements under local laws, the North American companies have the Anti-corruption, Bribery and Compliance Policy, adapted to US (FCPA) and Canadian (CFPOA) laws on corruption. That policy establishes an Anti-Bribery Compliance Officer, who is responsible for ensuring compliance with the policy and making sure that all workers and executives are aware of and comply with it. Training and refresher courses are provided regularly for this purpose.
- The Group's Indian subsidiary has a Vigil Mechanism/Whistleblower Policy, adapted to the applicable local laws (section 177(9) of the Companies Act and Rule 7 of the Companies Rules), through which a communication channel is made available to all employees to report to the company any conduct that infringes the Code of Conduct (in addition to the Group's reporting channel). Through that channel, any possible indication of unlawful conduct (including, therefore, any that may be considered acts of corruption) must be reported to the Vigilance and Ethics Officer of the company for investigation and adoption of whatever measures may be necessary.

The board of directors of the parent is due to pass a specific policy on corruption during 2019, which will set out the general principles specifically and separately and develop the applicable regulation of the Code of Conduct on this issue.

Moreover, the Ebro Group companies Riviana Foods, Catelli Foods Corporation and Ebro India, Private Ltd. provided anti-corruption training in 2018 for all their employees.

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

MONEY LAUNDERING

The Ebro Group has established: (i) payment and collection processes and (ii) a structure of attorneys for bank transactions, through whom it guarantees adequate control and monitoring of money movements in all its transactions.

The Ebro Group uses bank transfers and nominative payment instruments for payments and collections as they guarantee full traceability of any money movement. It also has strict rules for cash management, which allow the different companies to hold only negligible amounts of cash and regulate in detail any drawings against the cash balances, requiring in all cases justification of cash requests and proof of use of those funds.

The reimbursement of expenses incurred by employees in the course of their work is also strictly controlled, requiring proof of the expense and the reason and justification for it prior to any reimbursement. Drawings made using a company bank card (by employees who have a card, by virtue of their category) are subject to the same requirements of proof and justification of use, such that if any use of the card is not justified and proved, the corresponding sums are withheld from payments to be made by the relevant company to the employee.

According to the Group's power of attorney structure, in order to draw funds from bank accounts, a prior decision must be adopted by the competent corporate body and, as a rule, joint signatures are required, except for negligible amounts compared to the volume of transactions of the company in question.

OUR TEAM

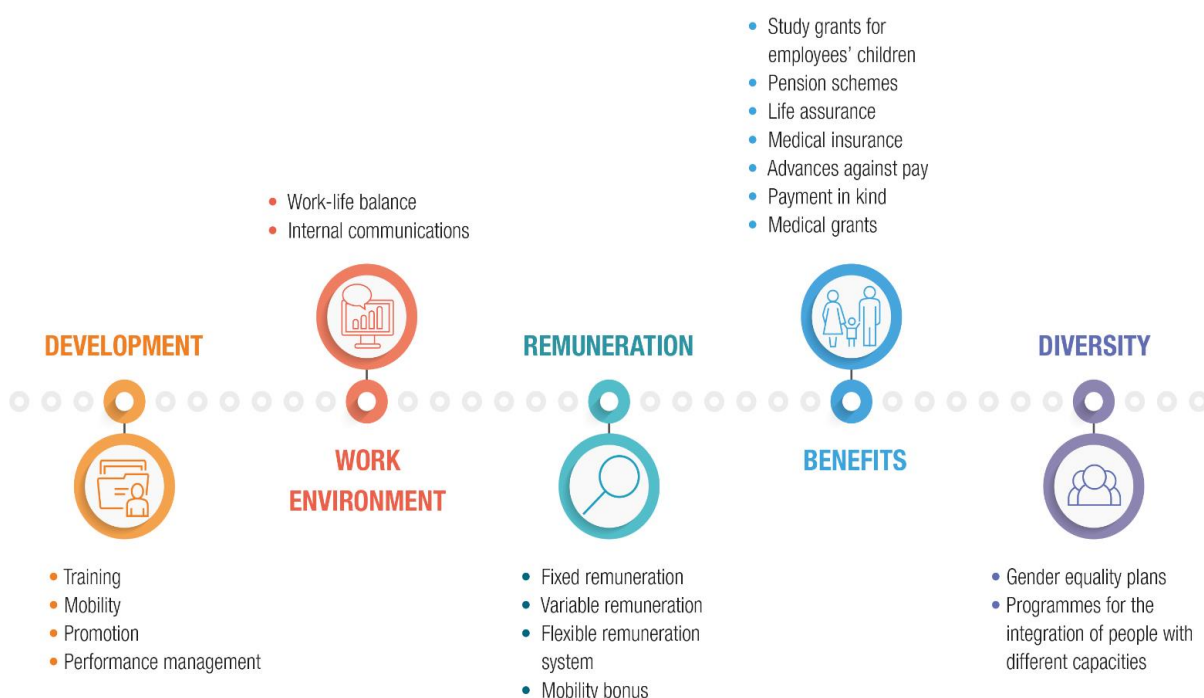
One of the main sources of value generation in the Ebro Group is our workforce of 7,189 professionals (6,041 direct employees of the company and 1,148 contracted through external agencies), a very close-knit team of professionals with enormous talent potential aligned with the organisation's strategy. Through the human resources departments of the different subsidiaries, the Ebro Group endeavours to motivate these professionals by offering a high quality job while at the same time strengthening their skills, powers and personal and professional leadership.

The Ebro Group's personnel management policy is designed to secure a high level of knowledge and contact with the workforce through a decentralised structure formed by the human resources managers in all the major companies of the Group and the implementation of bespoke policies in each one (in addition to the provisions of labour laws), taking account of the specific features of the countries in which they operate. These policies include not only general guidelines regulating the company/employee relationship, but also specific guidelines on Health & Safety in the Workplace, Training & Education, Diversity and Equal Opportunities and Equal Pay for Men and Women. Companies with a small personnel structure (essentially commercial companies with fewer than 10 employees) are governed exclusively by the labour laws in place in the countries in which they operate.

Above all of them and without prejudice to the provisions of the specific policies mentioned above, the Ebro Group has a Code of Conduct, which not only secures ethical, responsible conduct by the professionals in all the Group companies in the performance of their activities, but also serves as a reference to define the minimum objectives of the employment policy and guarantees, namely:

1. Health and safety in the workplace
2. Training and career development of all employees
3. Non-discrimination, diversity and equal opportunities in access to employment (including gender equality, the integration of people with different abilities and promotion of a multi-cultural workforce)
4. Right to form and join unions
5. Compliance with collective rights

In view of the contents of the different programmes launched by the most important business units in the Ebro Group, the management of Human Resources of the Ebro Group can be grouped into five pillars, indicating the different working areas within each one, for each company of the Ebro Group.



At present, the Ebro Group has no specific policies on disconnection from work.

A. EMPLOYMENT

Total number and breakdown of employees by gender

Total Employees	2018		2017	
	Total	% Total employees Group	Total	% Total employees Group
Men	4,323	71.56%	3,849	70.49%
Women	1,718	28.44%	1,611	29.51%
Total Employees	6,041		5,460	

NB: The large gap between men and women is largely due to the nature of the Group, which is predominantly factory-based. Generally speaking, factory work has traditionally been done mainly by men. In this context, over 70% of the personnel employed at the production plants of the Ebro Group are men. The men employed in factories represent 51% of the total male headcount in the Group. The gender balance in office jobs is much more even and in certain categories there are more women than men, such as in administration, where the number of women practically doubles that of men. Gender diversity is one of the commitments established in the Group's human resources guidelines.

Breakdown of employees by age group

Age Group	2018		2017	
	Total	% Total employees Group	Total	% Total employees Group
<=30	953	15.78%	815	14.93%
30 - 50	3,192	52.84%	2,931	53.68%
>= 50	1,896	31.39%	1,714	31.39%
Total Employees	6,041		5,460	

Breakdown of employees by country

Country	2018		2017	
	Total Employees	%Total Employees Country	Total Employees	%Total Employees Country
Belgium	96	1.59%	93	1.70%
Cambodia	6	0.10%	0	0.00%
Canada	368	6.09%	359	6.58%
Denmark	47	0.78%	0	0.00%
Egypt	53	0.88%	53	0.97%
France	1,647	27.26%	1,651	30.24%
Germany	88	1.46%	84	1.54%
Hungary	5	0.08%	6	0.11%
India	123	2.04%	104	1.90%
Italy	580	9.60%	205	3.75%
Morocco	266	4.40%	291	5.33%
Netherlands	127	2.10%	115	2.11%
Portugal	67	1.11%	64	1.17%
Romania	9	0.15%	10	0.18%
Spain	978	16.19%	943	17.27%
Thailand	188	3.11%	128	2.34%
United Kingdom	119	1.97%	101	1.85%
USA	1,274	21.09%	1,253	22.95%
Average Workforce	6,041		5,460	

Breakdown of employees by professional category

Professional category	2018		2017	
	No. Employees	% Total employees Group	No. Employees	% Total employees Group
Executives	168	2.78%	141	2.58%
Middle management	843	13.95%	792	14.51%
Administrative staff	737	12.20%	680	12.45%
Auxiliary staff	1,256	20.79%	1,214	22.23%
Sales representatives	263	4.35%	253	4.63%
Others	2,774	45.92%	2,380	43.59%
Total Employees	6,041		5,460	

Breakdown of employees by type of contract

Type of contract	2018		2017	
	Total	% Total employees Group	Total	% Total employees Group
No. indefinite or permanent	3,840	63.57%	3,339	61.15%
No. fixed term or temporary	559	9.25%	509	9.32%
At-Will	1,642	27.18%	1,612	29.52%
Total Employees	6,041		5,460	

Form of contract	2018		2017	
	Total	% Total employees	Total	% Total employees
Written contracts	4,159	68.85%	3,575	65.48%
Oral contracts	240	3.97%	273	5.00%
At-will contracts	1,642	27.18%	1,612	29.52%
Total Employees	6,041		5,460	

Breakdown of permanent employees by gender and age group

	2018								
	Men			Women			Total		
	<=30	30 - 50	>= 50	<=30	30 - 50	>= 50	<=30	30 - 50	>= 50
Indefinite or Permanent	344	1,593	844	165	604	290	509	2,197	1,134
At-Will	138	508	512	45	233	206	183	741	718
Total permanent employees	482	2,101	1,356	210	837	496	692	2,938	1,852

Breakdown of temporary employees by gender and age group

	2018								
	Men			Women			Total		
	<=30	30 - 50	>= 50	<=30	30 - 50	>= 50	<=30	30 - 50	>= 50
Fixed term or temporary	162	188	34	99	65	11	261	253	45

Breakdown of part-time employees by gender

	Part-time employees		
	Men	Women	Total
Total employees	80	109	189

Number of dismissals by gender, age and professional category

Category	Men			Women			Total
	< 30	>30 y <50	> 50	< 30	>30 y <50	> 50	
Executives		1	1				2
Middle management	1	3	7	2	3	3	19
Administrative staff	1	4	1	1	6	2	15
Auxiliary staff	43	52	27	10	16	4	152
Sales representatives		3			1	2	6
Others	10	7	8		1		26
TOTAL	55	70	44	13	27	11	220

NB: It has not been possible to publish the following breakdowns this year as we had not received the relevant information from our companies by the date of issuing this report: annual average permanent contracts by professional category, annual average of temporary contracts by professional category, annual average of part-time contracts by age and professional category. These details will be included in 2019.

B. ORGANISATION OF WORK

Organisation of working time

Organisation of the working time varies in the different countries in which the Group's subsidiaries operate. Working hours may thus vary between 35 and 48 hours a week, distributed over 5 or 6 days a week. The total weeks worked a year ranges between 47 (offices) and 52 (some production plants).

Absenteeism

The total number of days of absenteeism in all the Group companies was 49,118 days.

Benefits for employees

The following table shows, by company, the benefits provided for employees in six of the subsidiaries with the greatest weight in the Group (these six companies jointly account for almost 70% of the Group turnover and over 81% of its EBITDA):

Benefits	Company					
	Herba Ricemills	Riviana	Panzani	Lustucru	Bertagni	Garofalo
Stock ownership	All employees	---	---	---	---	
Parental leave	All employees	Full-time employees	All employees	All employees	All employees	All employees
Disability/invalidity benefit	All employees	Full-time employees	All employees	All employees	---	All employees
Pension fund	---	All employees	All employees	All employees	---	All employees
Life assurance	All employees	Full-time employees	All employees	All employees	---	All employees
Medical insurance	All employees	Full-time employees	All employees	All employees	All employees	All employees

NB: "All employees" includes both full-time and part-time employees

The Group is working on the measures that would help enhance the work-life balance of its employees, such as teleworking.

We comply with the prevailing laws on parental leave and gestation periods and facilitate the application of those laws according to employees' needs.

	2018			2017		
	% Men	% Women	% Total	% Men	% Women	% Total
% Employees who took leave / employees entitled to leave	96.08%	100.00%	97.63%	96.10%	100.00%	97.64%

C. HEALTH AND SAFETY

All the Group companies and their respective plants have an occupational hazard prevention and management system in place. This system is implemented using both internal means and external firms. In addition, approximately 90% of the workforce is represented on the Health and Safety Committees in the different companies.

Health and safety topics covered in formal agreements with unions

The health and safety topics covered by formal agreements with unions are:

- ✚ Global agreements: in accordance with the principles established by the ILO, organisational structures for problem-solving, commitments regarding target performance or the level of practice to apply.
- ✚ Local agreements: personal protection equipment, mixed health and safety committees, participation of workers' representatives in health and safety audits, inspections and investigations, training and education and right to refuse unsafe work.

Number, frequency and severity of injuries, number of employees with occupational diseases and number of work-related fatalities

The following tables show the information corresponding to the companies with the greatest weight in the business: Herba Ricemills, Lustucru, Panzani, Riviana Foods, Pastificio Lucio Garofalo and Bertagni.

Number of injuries

	2018	
	Men	Women
No. lost time injuries	98	22

Frequency rate

	2018	
	Men	Women
Frequency rate	20	12

Severity rate

	2018	
	Men	Women
Severity rate	0.53	0.51

There was one work-related fatality in 2018 in one of the Group's subsidiaries.

NB: The rates were calculated with the following formulas:

Frequency rate = (total no. lost time injuries / total hours worked) x1000000

Severity rate = (no. lost days due to lost time injury in working hours / total hours worked) x1000

Occupational disease

	2018	
	Men	Women
No. employees with occupational disease	3	1

D. LABOUR RELATIONS

Employees covered by collective bargaining agreements

65% of the employees of the Ebro Group are covered by the collective bargaining agreements of their respective business areas or another kind of collective agreement.

The remaining 35% are top executives of the Ebro Group, the professionals of the North American companies (since these agreements have not been used there for over 20 years) and those of Herba Egypt, Mundiriz, Herba Bangkok and Herba Ingredients, where they are not used either. In those cases, all the professionals are protected by the national labour laws in place in their respective countries, their respective personnel policies and the guidelines of the Ebro Group's Code of Conduct. External ethical audits are conducted regularly in all of them.

E. TRAINING

In its Code of Conduct, the Ebro Group undertakes to promote the personal and professional development of its workers, encouraging them to improve their skills and abilities. In this context, 63% of the Group's employees participated in the training schemes organised in the different Group companies during 2018, completing a total of 72,759 hours training.

Total hours training

Category	2018	
	Men	Women
Executives	1,029	826
Middle management	8,571	3,996
Administrative staff	4,430	6,915
Auxiliary staff	19,376	6,698
Sales representatives	1,219	593
Others	16,778	2,328
Total	51,403	21,356

F. EQUALITY

The Ebro Foods Code of Conduct specifies in section IV, point 9.5 that the Group promotes and upholds the principle of equal treatment and equal opportunities for all Professionals, regardless of their race, colour, nationality, ethnic origin, religion, sex, political or sexual inclination, civil status, age, disability or family responsibilities, as a principle behind all human resources policies and applicable in the recruitment of Professionals, training, career opportunities, pay levels and all other aspects of relationships with Professionals.

In addition and even though some of the companies in the Group have their own equality plans or guidelines, one of the goals of the Sustainability Plan “Heading for 2030” is to draft the Corporate Equality Plan during 2019.

Diversity in governing bodies and employees

Total Employees	2018		2017	
	Total	% Total employees Group	Total	% Total employees Group
Men	4,323	71.56%	3,849	70.49%
Women	1,718	28.44%	1,611	29.51%
Total Employees	6,041		5,460	

	2018			
	No. Men	No. Women	Men / total (%)	Women / total (%)
Board of Directors	8	5	61.54%	38.46%

Employees with different abilities

2018		2017	
Men	Women	Men	Women
78	33	77	23

The Ebro Group has promoted several actions in Spain related with the socio-occupational integration of persons with different abilities, through the contracting of certain services with special employment centres (CEE).

The value of those collaborations in 2017 was €76,137.18:

ENTITY	CONCEPT	AMOUNT
C.E.E. CADEMADRID	Printing work	1,901.07 €
FUNDACIÓN PRODIS	Sundry printing work	540.87 €
C.E.E. INSERCIÓN PERSONAL DISCAPACITADOS " IPD"	Cleaning head offices in Madrid	73,695.24 €
	TOTAL	76,137.18 €

Remuneration for equal jobs or average remuneration in the company

Since the company's subsidiaries embrace a wide variety of professional categories and countries, it is impossible to give a consolidated average that accurately reflects the Group's remuneration policy. Therefore, as in other indicators, we offer the details corresponding to six of the principal companies in the Group: Herba Ricemills, Lustucru, Panzani, Riviana Foods, Pastificio Lucio Garofalo and Bertagni.

Ratio of the basic salary and average remuneration of women to men

The basic salary is identical for men and women in all the companies of the Ebro Group.

Men-women ratio of average remuneration

The following tables set out the women-men ratios in average remuneration, showing only those employee categories in which there are both genders and, therefore, that ratio can be established.

We calculated this average remuneration based on the average gross annual salary of the employees (men and women) in each category. This gross salary includes the sum of basic salary plus supplements, such as seniority, cash bonuses and equity (e.g. shares) bonuses, overtime and any other welfare benefit (transport, accommodation expenses, aids for children, etc.).

Company	Category	Average Remuneration Men	Average Remuneration Women	Women-men ratio
Bertagni	Office staff	31,648	29,583	0.93
	Factory staff	24,727	22,728	0.92
Garofalo	Contractual Administrative Level 2	43,085	39,752	0.92
	Contractual Administrative Level 3	24,769	27,589	1.11
	Contractual Administrative Level 3A	37,264	31,923	0.86
	Contractual Administrative Level 4	22,845	26,919	1.18
Herba Ricemills	a) Technical, Administrative and Commercial Staff			
	Level I	42,103	38,796	0.92
	Level II	35,317	30,845	0.87
	Level III	28,813	23,913	0.83
	Level V	18,628	18,628	1.00
	b) Production Staff			
	Level I	35,593	32,405	0.91
	Level II	33,410	27,090	0.81
	Level IV	29,158	28,760	0.99
	Level VI	26,679	21,619	0.81
	Level VIII	21,094	21,094	1.00
	c) Maintenance Staff			
	Level III	19,500	19,500	1.00
	d) Management			
	Level II	87,012	73,509	0.84
Lustucru	Executives	59,541	54,167	0.91
	Technical staff & supervisors	39,609	39,841	1.01
	Office staff	37,959	30,656	0.81
	Factory staff	29,883	26,760	0.90

Panzani	Executives	82,865	57,917	0.70
	Technical staff & supervisors	44,542	37,970	0.85
	Office staff	36,587	32,716	0.89
	Factory staff	35,393	31,914	0.90
Riviana	Executives	436,293	312,971	0.72
	Middle management	110,546	102,221	0.92
	Professionals	74,531	66,781	0.90
	Technical staff	44,871	39,024	0.87
	Administrative staff	42,046	43,913	1.04
	Unskilled workers & assistants	35,966	36,738	1.02
	Factory staff	43,754	43,328	0.99

NB: The employees of these companies represent 62% of the total Group employees. The formula used to calculate the average was to divide the average remuneration of women by the average remuneration for men.

Average remuneration of directors by gender

	Men	Women
Average remuneration (1)	€256 thousand	€197 thousand

(1) The directors' remuneration in 2018 for their duties as such was taken, excluding the remuneration received by the Executive Chairman for his executive duties. The Chairman is the only executive director who performs executive duties and receives remuneration for them. The directors' remuneration for their duties as such is stated individually for each one in the Annual Report on Directors' Remuneration 2018, published on the website of the CNMV (www.cnmv.es) and the corporate website (www.ebrofoods.es). Certain differences may exist due to rounding off.

Average remuneration of executives by gender

	Men	Women
Average remuneration (2)	85,503	66,525

(2) This average remuneration was calculated based on the average gross annual salaries of all the executives in the Ebro Group. That gross salary includes the sum of basic salary plus supplements, such as seniority, cash bonuses and equity (e.g. shares) bonuses, and any other welfare benefit (transport, accommodation expenses, aids for children, etc.). The formula used was the sum of average remuneration by gender divided by the number of different categories of executives by gender.

COMMITMENT TO SOCIETY

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.

SOCIAL CASH FLOW

	<u>2018</u>	<u>2017</u>
Economic value generated		
Net turnover	2,646,523	2,506,969
Other income	39,332	44,808
Interest income	22,862	35,505
Share of profits of associates	5,017	4,290
	2,713,734	2,591,572
Economic value distributed		
Consumption & other external expenses	(1,462,269)	(1,331,011)
Employee benefits	(360,496)	(338,975)
Other operating expenses	(553,870)	(528,711)
Interest expense	(31,628)	(46,562)
Corporate income tax	(63,639)	(34,157)
Net income from discontinued operations	0	0
Contribution to not-for-profit entities	(2,280)	(2,315)
Dividends(*)	(95,566)	(93,771)
	(2,569,748)	(2,281,731)
Economic value retained	143,986	309,841
(*) Dividends paid in the corresponding year		
(figures in € 000)		

TAX INFORMATION

	2018
Capital grants received	131
Operating grants received	537
Corporate income tax paid	31,490
Other taxes paid:	12,219

Breakdown:	2018	
	C.Inc.Tax	Other taxes
Spain	-17,323	1,039
Rest Europe	30,876	6,185
America	16,445	4,837
Asia	1,065	47
Africa	427	111
	31,490	12,219

The most significant countries are:	C.Inc.Tax	Other taxes
Spain	-17,323	1,039
France	19,380	5,290
Italy	8,778	215
USA	14,913	3,451

Profit before tax by countries:

	PBT 2018
Spain	16,388
Rest Europe	105,237
America	87,459
Asia	4,115
Africa	-249
	212,950

The most significant countries are:	PBT 2018
Spain	16,388
France	54,528
Italy	25,167
USA	79,690

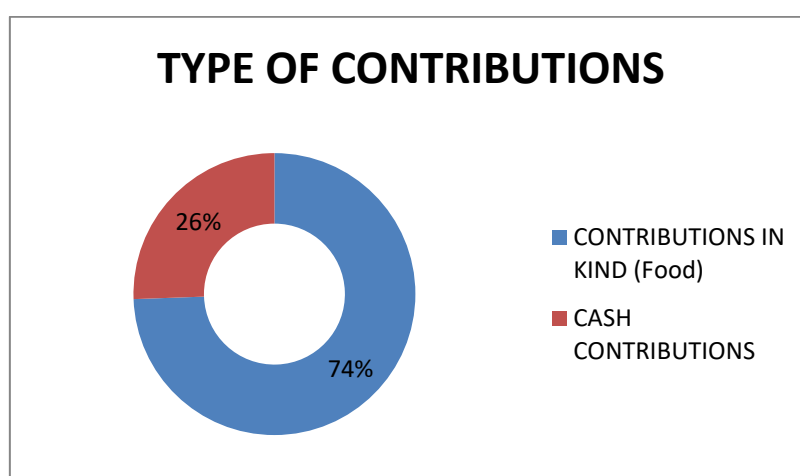
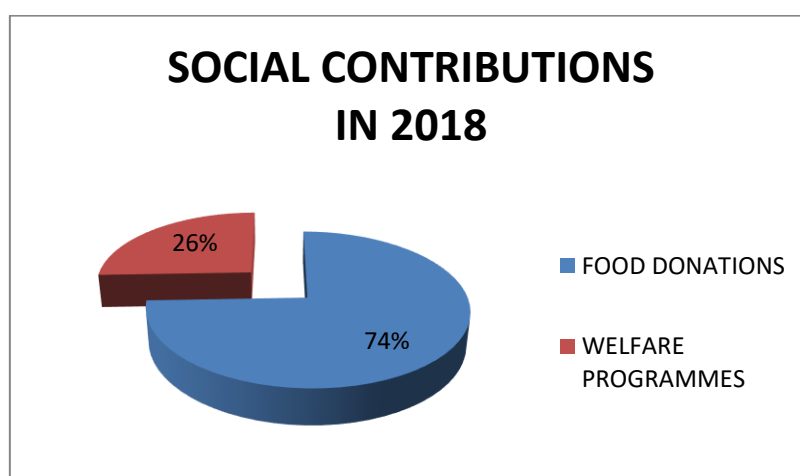
(figures in € 000)

COMMITMENT TO THE DEVELOPMENT OF LOCAL COMMUNITIES

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.

Through the Ebro Foundation and its different companies, the company allocated over €2,280,000 to implementing this commitment in 2018. 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.



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 2018.

COUNTRY	COMPANY	AMOUNT (€)
Spain	Herba Ricemills	89,915.00
USA	Riviana Foods	982,712.00
Canada	Catelli Foods	106,021.00
France	Panzani	511,021.00
	TOTAL	1,689,669.00

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 2018.

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 following areas:

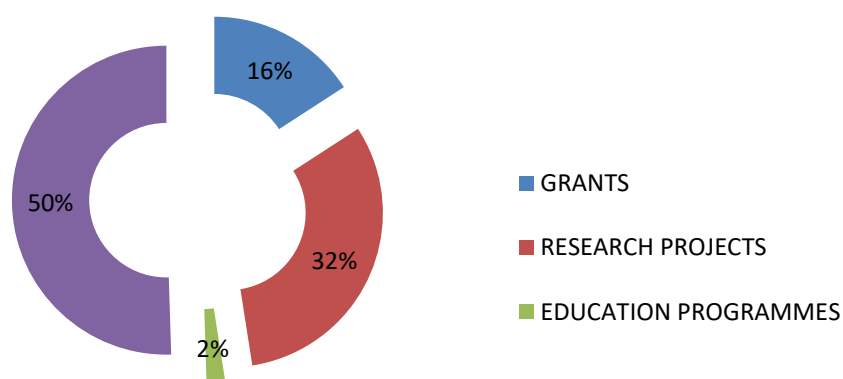
-  Food and nutrition
-  Education and employment
-  Sustainable agriculture
-  Social welfare in regions of interest

A very large proportion of these actions are carried out by the Ebro Foundation.

* Principal activities of the Ebro Foundation in 2018

INVESTMENT €590,492.72
58 ENTITIES SUPPORTED
67 PROJECTS
4 COUNTRIES
17,537 BENEFICIARIES

TYPES OF WELFARE PROGRAMMES



1. 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.

Food and nutrition programmes

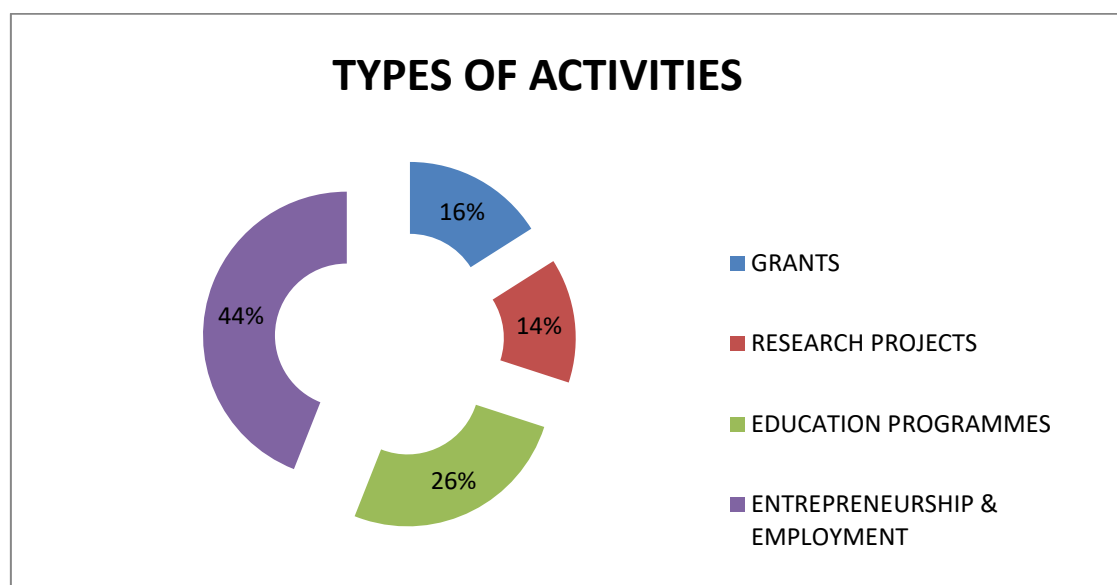
Participation in programmes that combine food and health, food and social development, and food and environmental sustainability.

The global investment made in this area in 2018 was €293,862.

2. Education and employment

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 €183,592, distributed as follows:



3. Sustainable agriculture

The Foundation also plays an important role in the sustainable agriculture 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. The investment in this area was €12,135.

4. Welfare action in regions 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 specially 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 2018, the Foundation allocated €90,893.72 to collaborating with different entities in Seville, Madrid, Jerez, India, Morocco and Egypt.

OUTSOURCING AND SUPPLIERS

Since the Group has decentralised certain management areas, such as the Procurements Area, to its respective companies, we have not yet fully developed a global, integral, corporate management of our suppliers.

There is no group-wide procurements policy; each subsidiary has its own policies complying with the laws and circumstances of the countries in which they operate.

So at present we have three main corporate tools for controlling our suppliers: 1) visits and meetings by the Procurement Departments of the different subsidiaries; 2) the Sedex Platform, with which some suppliers of certain Group companies have gradually been registering, and have in turn been audited by an independent third party; and 3) the Supplier Code of Conduct of Ebro Foods, which lays down the rules on social and environmental conduct of the Group's suppliers and service providers. So far, 100% of the suppliers of Herba Bangkok, 99% of those of Herba Cambodia, and 80% of those of Ebro India have subscribed to it. It is not a simple process and is time-consuming.

With a view to addressing the integral management of the supply chain, we are starting to draw up a work plan, according to which we will classify all the company's suppliers into three groups as from 2019: agricultural raw materials, auxiliary raw materials and service providers. Our idea is to map our subsidiaries and then work out with them a roadmap to achieve the goal set in our Global Sustainability Plan, that 100% of our suppliers and service providers will have signed the Group's Supplier Code of Conduct by 2030 or incorporated ESG criteria in their policies. Within this plan we will also assess the convenience of continuing to use Sedex as our control tool, or using alternative tools that enable us to address this matter more thoroughly.

List of supplier audits in 2017-2018

Supplier name	Site name	Site country	Audit date	Audit company
Riso Scotti S.p.A.	RISO SCOTTI S.p.A.	ITALY	28/09/2018	BVCERT 4 Pillar Audits
Mondi Békéscsaba Ltd	Mondi Békéscsaba Kft	HUNGARY	28/09/2018	BVCERT 4 Pillar Audits
Graphic Packaging International LLC	Graphic Packaging Iqualada	SPAIN	26/09/2018	BVCERT 4 Pillar Audits
VENUS GROWERS	ALEXANDRIA	GREECE	14/06/2018	Intertek Bulgaria
VENUS GROWERS	VERIA	GREECE	13/06/2018	Intertek Bulgaria
Great Giant Pineapple Company	Great Giant Pineapple Co Cannery and Plantation	INDONESIA	07/06/2018	BVCERT 4 Pillar Audits
Engro Eximp Agriproducts (Pvt) Limited	Integrated Rice Processing Complex (IRPC)	PAKISTAN	04/05/2018	Elevate Limited
GEOVITA SRL	GEOVITA SRL	ITALY	19/02/2018	SGS CBE
Mondi Consumer Packaging GmbH	Mondi Korneuburg GmbH	AUSTRIA	23/01/2018	BVCERT 4 Pillar Audits
Mundi Riso srl	Mundi Riso	ITALY	18/12/2017	SGS CBE
Ebro Foods Nederland BV	Lassie	NETHERLANDS	10/11/2017	Intertek UK
Galaxy Rice Mill	Galaxy Rice Mill	PAKISTAN	03/08/2017	Elevate Limited
Casarone Agroindustrial S.A.	ARROZUR S.A.	URUGUAY	28/06/2017	SGS
Casarone Agroindustrial S.A.	Planta José P. Varela	URUGUAY	27/06/2017	SGS

CUSTOMERS AND CONSUMERS: HEALTH AND FOOD SAFETY

Customers and consumers are two of the driving forces for development, evolution and growth of the company. The Ebro Group uses a wide variety of tools to:

1. Offer them a broad portfolio of healthy, differentiated products.
2. Anticipate and meet their needs for consumption.
3. Guarantee top quality in its products and services, meeting not only the quality standards and requirements stipulated in law, but also any stricter standards to guarantee that top quality.
4. Watch out for their health and safety, meeting the strictest food safety standards.

Our main tools

1. R&D and innovation

This is what distinguishes us from our rivals, enabling us to develop unique products and technologies to meet the needs of our customers and consumers and provide them with a differentiated range of products delivering value added.

The Ebro Group is a pioneer in the development of new concepts and innovation in the segments in which it operates. This can be seen in the new products put on the market over the past three years, such as Brillante Sabroz, Lustucru Selection, Quick Pasta, Ancient Grains, SOS Para, SOS Vidasania, Brillante a la Sartén, SOS Platos, Squeeze Sauces, gluten free, brown/wholewheat rice and pastas, high-fibre and high-calcium products, quinoa, Brillante Benefit, etc.

Approximately one-third of the Ebro Group's total investment budget is set aside each year for innovation.

2. Quality Control and Food Safety Systems

- i. **Good Manufacturing Practices (GMP):** contemplating good practices for the handling, packaging, storage and carriage of fresh products.
- ii. **Hazard Analysis and Critical Control Point (HACCP):** a system for identification and control of any problems that may come to light during the design and production processes.
- iii. **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.
- 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.

In this context, all the Ebro Group plants have been certified for quality and food safety, having a total of 135 certifications between them. The companies also make regular assessments of their products to promote their safety and improvement. During 2018, the subsidiaries Arrozeiras Mundiarroz (Portugal), Catelli Foods (Canada), Geovita (Italy), Lassie (Netherlands), Riviana Foods (USA) and Vegetalia (Spain) made such assessments.

Product and Service Labelling

All our companies comply with the national laws and regulations applicable in each country.

Customer and consumer services

Information on the nutritional properties of all Ebro Group products is provided on the packaging, 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. Grievances 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, the companies follow up all grievances by telephone to check consumer satisfaction.

Statistical monitoring is regularly conducted of all incidents and proposals for improvement made by consumers, which are discussed at the different Management Committee meetings held every month within each company.

The communication channels used with consumers in the different companies are indicated below:

COMPANY	COUNTRY	COMMUNICATION CHANNELS USED WITH CUSTOMERS
Arrozeiras Mundiarroz	Portugal	Telephone, e-mail, post and social media
Bertagni	Italy	Telephone, e-mail, website and social media
Boost Nutrition	Belgium	Telephone, e-mail, website and social media
Catelli - Olivieri	Canada	Telephone, e-mail, website and social media
Euryza	Germany	Telephone, e-mail, website and social media
Garofalo	Italy	Telephone, e-mail, website and social media
Herba Ricemills	Spain	Telephone and e-mail
Lassie	Netherlands	Telephone, e-mail, Website and social media
Lustucru	France	Telephone and post
Panzani	France	Telephone, e-mail, post and social media
Riceland	Hungary	Telephone, e-mail and website
Risella	Finland	Telephone
Riviana	USA	Telephone, e-mail, Website and social media

INCIDENTS DURING THE YEAR

Incidents registered with large customers

Overall, 9 incidents were registered in 2018, 5 of which corresponded to a voluntary product recall in France and 4 to product name and labelling issues.

Claims from end consumers

The following table shows the number of claims (packaging defects, requests for information, sensory properties, etc.) handled during 2018, by company.

COMPANY	COUNTRY	NUMBER OF INCIDENTS
Arrozeiras Mundiarroz	Portugal	104
Bertagni	Italy	270
Boost Nutrition	Belgium	164
Catelli - Olivieri	Canada	2,239
Euryza	Germany	408
Garofalo	Italy	518
Herba Ricemills	Spain	1,091
Lassie	Netherlands	328
Lustucru	France	1,448
Panzani	France	6,709
Riceland	Hungary	75
Risella	Finland	123
Riviana	USA	12,826 (rice) 17,508 (pasta)

None of the companies in the Ebro Group received any notification from customers during 2018 of incidents regarding privacy or data breaches.

Promotion of healthy food and healthy lifestyles

The Ebro Group is investing heavily to complete all its brands on a global scale with a new category of products targeting health, putting new healthy products on the market based on concepts such as ancient grains, gluten free, quinoa, whole grain, high fibre, vitamins, minerals, etc., focusing increasingly on everything to do with organic and natural foods.

In addition, the Ebro Group has created the blog Sentirsebiensenota.com (.es) [lit.: 'when you feel good, it shows'], an informative space in which nutritionists, researchers and professionals of the sector post articles, recipes and advice for the public promoting healthy eating habits and maintaining an active lifestyle.

ENVIRONMENT

SCOPE OF REPORTING

The information set out below corresponds to the 63 production plants that the Ebro Group has through its different companies.

The comparison of 2018 and 2017 is distorted by the fact that the figures from the following six companies have been added to the consolidated figures in 2018:

- Herba Ricemills, with 1 new plant in Los Palacios
- Ebrofrost UK, with 1 plant in the UK
- Bertagni, with 2 plants in Italy
- Geovita, with 4 plants in Italy
- Ebrofrost North America, with 1 plant in USA (last year it was included in the Riviana questionnaire)
- Herba Cambodia (last year it was included in the Herba Thailand questionnaire).

Region	No. sites reporting	Companies
Europe	44	
Spain	12	Harinas Santa Rita (1), Herba Ricemills (9), Vegetalia (2)
Portugal	1	Mundiarroz
UK	4	Ebrofrost UK (1), S&B (3)
Italy	8	Bertagni (2), Garofalo (1), Mundiriso (1), Geovita (4)
France	11	Celnat (1), Lustucru (3), Panzani (6), Roland Monterrat (1)
Belgium	4	Boost (1), H.Ingredients (3)
Netherlands	2	Lassie, Herba Ingredients
Germany	1	Ebrofrost Germany
Denmark	1	Ebrofrost Denmark
North America	14	
USA	11	Riviana (10), Ebrofrost NA (1)
Canada	3	Catelli
Africa	2	
Morocco	1	Mundiriz
Egypt	1	Herba Egypt
Asia	3	
Tailandia	1	H.Bangkok
India	1	Ebro India
Camboya	1	H.Cambodia

ENVIRONMENTAL MANAGEMENT

The processes used at Ebro Group's production plants in both the rice and pasta divisions are relatively simple agri-food processes that do not generate any major environmental impacts and entail a minimal risk of accidental pollution. The most significant environmental risks relating to the Ebro Group can be classified as follows:

- Air emissions: Mainly emissions of particles during the handling of cereals (rice and wheat) and greenhouse gas (GHG) emissions related to energy consumption, fossil fuels and electricity. The most widely used fuel is natural gas.
- Production processes: Essentially mechanical and hydrothermal, requiring the use of very few chemical products and in very small quantities. Most of these products are used to clean the equipment and cleanse the raw materials and are relatively harmless for the environment.
- Water consumption: The amount of water used in our processes is very small (the vast majority of our products are dry) so the volume of effluent generated is also small. Moreover, the little effluent produced has a low level of contamination since the water consumed is basically used to produce steam, for cooling or as an ingredient in the finished products.
- Waste generation and management: The Ebro Group generates minimal amounts of waste, both non-hazardous (mainly packaging of ingredients and ancillary materials) and hazardous (maintenance operations).

To minimise these impacts, Ebro Foods upholds protection of the environment as one of the basic principles of our activities and implements the necessary tools, measures and means in its companies to guarantee that protection. The Ebro Group takes measures to:

- Ensure that its companies comply with the environmental laws applicable to their respective activities by implementing internal management systems and monitoring the applicable laws and regulations.
- Minimise the environmental impact of its activity by seeking eco-friendly solutions and continually embarking on initiatives to reduce its emissions and waste generation and optimise its consumption of water, energy and packaging material.
- Manage all its waste adequately and safely, encouraging recycling and reuse. Use recycled raw materials and/or those respectful of the environment, whenever possible.
- Organise environmental awareness and training programmes for employees.

Resources dedicated to environmental risk prevention

Fifteen of the 28 companies covered by this report have reported investments in measures to reduce / optimise energy consumption, water consumption and GHG emissions.

- Mundiarroz
- Boost
- Catelli
- Celnat
- Ebrofrost North America
- Garofalo
- Herba Ricemills
- Lassie
- Lustucru
- Mundi Riso
- Panzani
- Riviana Rice
- Riviana Pasta
- Roland Monterrat
- Vegetalia

	2017	2018
Expenditure in management and control	784,096 €	677,332 €
Investment to minimise impact	2,183,094 €	2,370,949 €
Total:	2,967,190 €	3,048,281 €

The investments reported here include measures to improve heat insulation, the installation of equipment to recover, reduce and optimise energy and water consumption, the installation of LED luminaires, the measurement of noise, particles emissions, and measurement and analysis of effluent.

Provisions and guarantees for environmental risks

All the Group companies have taken out third party liability insurance covering any damage caused by sudden, unintentional, accidental pollution; that insurance is considered to cover any possible risks of this nature. To date there have been no significant claims for environmental issues, favourable outcomes of audits and inspections, and no allegations in the processing of Integrated Environmental Authorisations, etc.

Environmental certification or assessment procedures

Total compliance with the laws and regulations applicable to its activities is a basic principle and goal in the Ebro Group environmental management. All the production plants of the Ebro Group operate under the applicable certifications, specifications and authorisations in their respective geographical areas and internally manage their environmental aspects accordingly.

Non-compliance, fines and sanctions [307-1])

Only Arrozeiras Mundiarroz reported a small fine in 2018 for non-compliance with environmental laws and regulations.

Año	Compañía	Incumplimiento	Sanción
2018	Arrozeiras Mundiarroz	Falta de certificado de verificación técnica de detección de fugas de gasen equipo de refrigeración (gragnifrigor)	6.075 €
Year	Company	Non-compliance	Fine/Sanction
2018	Arrozeiras Mundiarroz	No certificate of technical inspection to detect gas leaks in cooling equipment (Granifrigor)	€6,075

The following production plants have an environmental management system certified under UNE-EN-ISO 14.001:

Year	Company	Country	Workplace	Certificate
2018	Garofalo	Italy	Gragnano	ISO 14001
2018	Panzani	France	Littoral	ISO 14001
2018	Panzani	France	Gennevilliers	ISO 14001
2018	Panzani	France	Saint Just	ISO 14001

Precautionary principle

The guidelines on which the precautionary principle are set out in the Group's Code of Conduct and CSR Policy:

- ✚ The Group declares its firm commitment to respect and preserve the environment.
- ✚ It sees that its companies comply with the environmental laws applicable to their operations and any additional commitments assumed voluntarily.
- ✚ Environmental sustainability programmes will be applied in specific matters.

CIRCULAR ECONOMY AND WASTE MANAGEMENT AND PREVENTION

In Spain, to guarantee meeting the reduction, recycling and re-use targets defined in the Packaging and Packaging Waste Act 11/97 of 24 April, the Spanish subsidiary Herba has joined Ecoembalajes España, S.A. (Ecoembes), which has the mission of designing and developing systems for selective collection and recovery of used packaging and packaging waste. Ecoembes uses the “Green Dot” (symbol that appears on the packaging) to show that the packager of the product has paid a sum of money for each package put on the market.

Both the rice companies and the head offices of Ebro Foods have signed agreements with companies similar to Ecoembes for the destruction of paper and other data carriers. With these agreements, apart from complying with the Data Protection Act, they guarantee a sustainable management of the documentation through the undertaking by these companies to recycle the material.

We are analysing our contribution to CEFLEX, the collaborative initiative of a European consortium of companies and associations representing the entire value chain of flexible packaging. The CEFLEX Mission is to further enhance the performance of flexible packaging in the circular economy by designing and advancing better system solutions identified through the collaboration of companies representing the entire value chain.

Actions to combat food waste

The main internal policy for food surplus within the Group (defining surplus as products suitable for consumption but which, for different reasons -such as packaging defects, being close to their use-by date, etc.- are not suitable for sale to consumers) is donation to the closest food banks.

The Ebro Group also participates actively in the programme “Don’t waste food”, a collaborative initiative to reduce food waste, led by AECOC, the association of large consumer companies.

The three principal objectives of the project are to:

- Establish prevention and efficiency practices throughout the food chain to reduce waste
- Maximise use of the surplus produced in different stages of the value chain (redistribution, reuse and recycling)
- Make society aware of this problem and the need to reduce food waste.

The initiative is supported by over 350 manufacturers and distributors in the large consumer sector, logistics and haulage operators, business associations, consumer organisations and institutions and is coordinated by AECOC.

The programme aims to inform people about the efforts being made by companies to prevent food waste and promote enhanced collaboration to gradually reduce the problem. Every year some 7.7 million tonnes of food is wasted in Spain. Therefore, the “Don’t waste food” programme aims to make consumers throughout the world aware of the problems of food waste and get them to participate in the initiative, encouraging them to collaborate in order to reduce the waste generated by each person.

Measures for waste prevention, recycling, reuse and other forms of recovery and elimination

All the companies in our Group have contracted the management of hazardous and non-hazardous waste to authorised waste disposal contractors.

Some of the Group’s rice companies use the husk from their manufacturing processes as a source of renewable energy. In 2018, Ebro India, Mundi Riso, Herba Ricemills and Vegetalia reported husk consumption as a source for generating heat energy.

Moreover, in 2019 Herba Ricemills, in alliance with other companies, is going to present a project in the LIFE Programme aiming to reuse rice husk and straw within the concept of circular economy, using a technological solution to create a new fireproof material or compound, with heat and sound insulating properties, that can be sold and used.

Water discharge [306-1]

Water discharge (m3)	2017	2018
Sewage	568,315	76,598
Process water	1,879,317	2,385,391
Total water discharge	2,447,632	2,461,989

Destination industrial effluent (m3)	2017	2018
Sewerage system or treatment facility	1,242,789	2,311,010
Inland waters	107,512	15,889
Marine waters	0	58492
Total	1,350,301	2,385,391

Waste generation [306-2]

All the hazardous waste is transferred to authorised waste disposal contractors for treatment according to the laws in place in each region.

Non-hazardous waste is separated by type and also handled by authorised waste disposal contractors, favouring recycling and reuse whenever possible.

Waste (t)	2017	2018
Hazardous	40	7,238
Non-hazardous	31,891	37,240
Total Waste	31,932	44,477

Non-Hazardous Waste (t)	2017	2018
Recycling	9,743	11,650
Reuse	1,070	3,567
Landfill	9,509	9,953
Composting	1,607	1,954
Incineration	2,654	3,696
Other	5,660	3,318
Total Non-Hazardous Waste:	30,243	34,137

Hazardous Waste (t)	2017	2018
Recycling	0	7,035
Solidification & stabilization	0	5
Incineration	0	78
Pyrolysis	0	0
Landfill	0	1
Other	0	106
Total Hazardous Waste:	0	7,225

Significant spills [306-3]

No spills occurred in 2018.

SUSTAINABLE USE OF RESOURCES

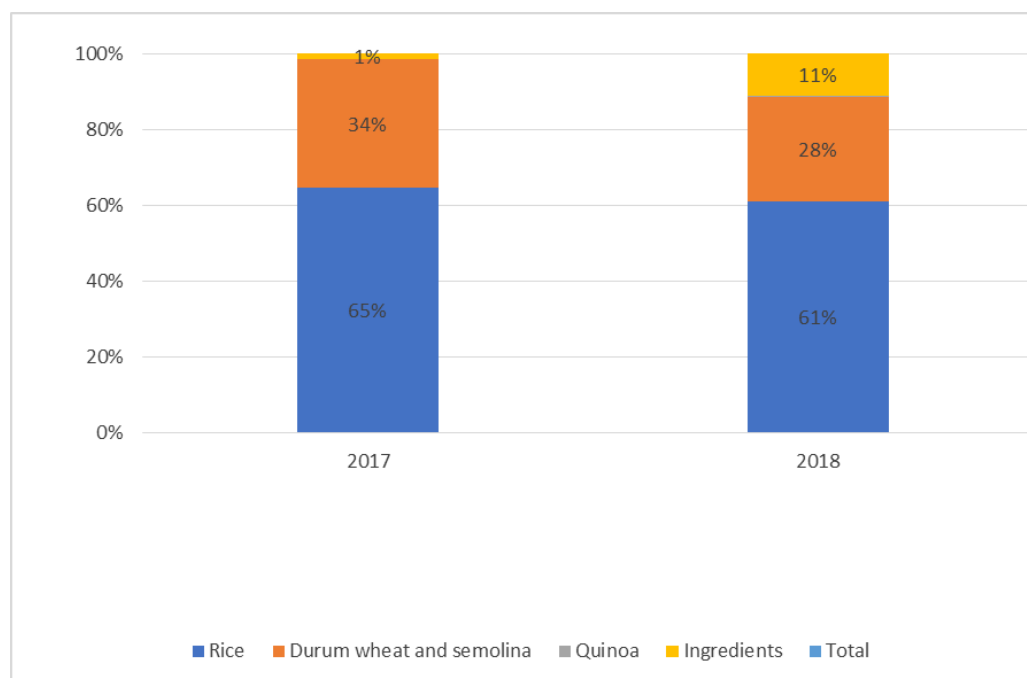
Raw Materials [301-1]

The raw materials used are divided into two major categories, those used in the preparation of finished goods and the packaging materials

The raw materials used in finished goods are divided into two categories.

- Agricultural: rice, durum wheat and quinoa
- Processed: ingredients (ready-to-serve)

Raw Materials for Product (t)	2017	2018
Rice	1,974,151	1,774,534
Durum wheat and semolina	1,026,675	799,946
Quinoa	3,091	4,164
Ingredients	44,414	325,108
Total	3,048,331	2,903,752



The packaging materials for finished products are mainly paper, cardboard and plastic.

Input materials for Packaging (t)	2017	2018
Paper	16,197	17,825
Cardboard	42,761	44,661
Plastic	17,424	46,144
Others	1,246	2,321
Total	77,628	110,951

Recycled packaging materials [301-2]

The recycled input materials used for packaging set out below are partial, since this indicator has not been reported globally by all the European companies (the North American companies have provided this information).

Recycled input materials in packaging (t)	2017	2018
Recycled paper	3,839	2,212
Recycled cardboard	17,055	16,820
Recycled plastic	715	216
Total	21,609	19,248

Energy consumption [302-1]

The total energy consumption for the Ebro Group is shown below:

- **Direct consumption**

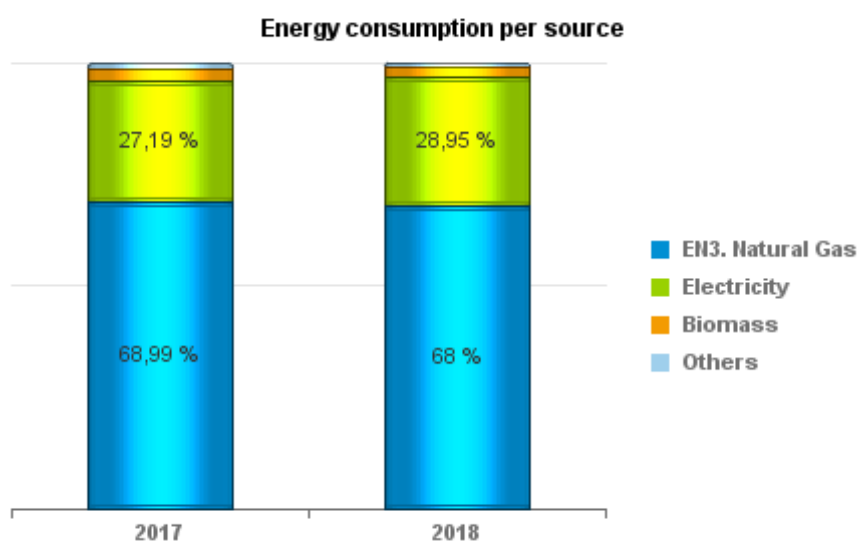
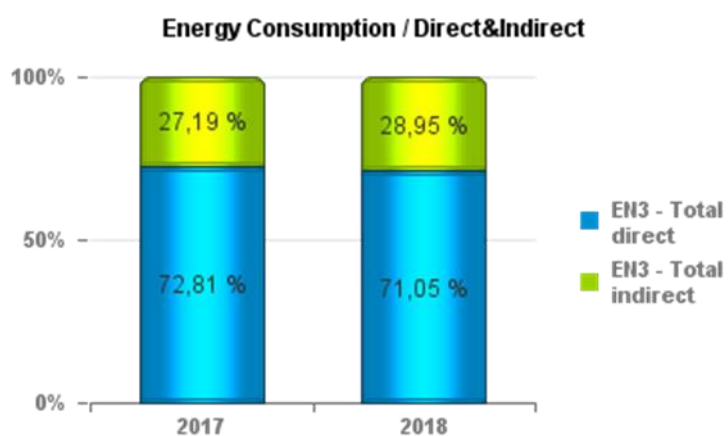
Consumption non-renewable energy sources (GJ)	2017	2018
Natural Gas	3,327,082	3,268,551
Others	65,935	53,460
Total	3,393,017	3,322,011
Consumption renewable energy sources (GJ)	2017	2018
Biomass	118,424	93,146
Total	118,424	93,146
Total direct consumption	3,511,442	3,415,157

Biomass: is exclusively rice husk, a by-product of our industrial processes.

- Indirect consumption

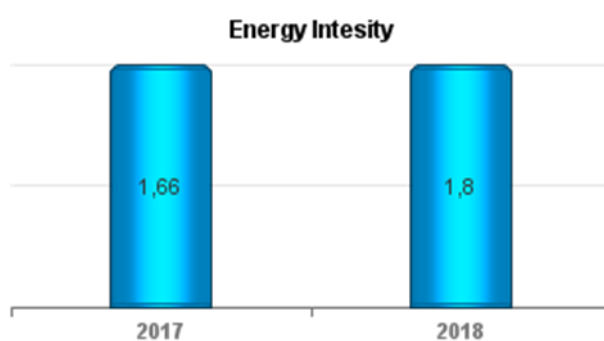
Intermediate energy acquired and consumed (GJ) 2017		2018
Electricity	1,311,458	1,391,809
Total indirect consumption		1,311,458
		1,391,809

Total energy consumption (GJ)		2017	2018
		4,822,900	4,806,966



Energy intensity [302-3]

Raw Materials Product (t)	2017	2018
Total produced (t)	2,912,525	2,671,856
Total energy consumed (GJ)	4,822,900	4,806,966
Energy intensity (GJ/t product)	1.66	1.80



Reduction of energy consumption [302-4]

Four group companies developed different initiatives in 2018 to reduce their energy consumption, by a total of €296,812.

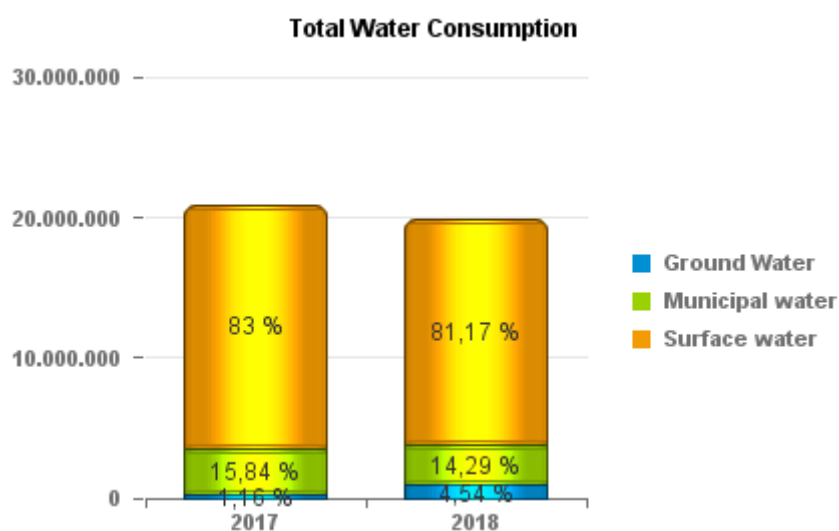
Company	Initiative	Cost (€)
Boost Nutrition	Luminares	4,000 €
Mundiriso	Biomass boiler	52,380 €
Panzani	Capacitor	30,000 €
Panzani	Thermal insulation	125,346 €
Panzani	Installation LED luminares	44,000 €
Riviana Pasta	Installation LED luminares (Fresno)	41,086 €
Total		296,812 €

Water consumption [303-1]

Total volume of water withdrawn (m3)	2017	2018
Tap water	3,310,017	2,843,088
Groundwater	242,308	902,660
Total industrial processes	3,552,324	3,745,748
Surface water	17,340,000	16,150,000
Total water withdrawn	20,892,324	19,895,748

The surface water was not withdrawn for our industrial activity but the agricultural activity performed by the subsidiary Rivera del Arroz in Morocco.

	2017	2018
Groundwater	1.2%	4.5%
Surface water	83.0%	81.2%
Tap water	15.8%	14.3%



Water recycled and reused [303-3]

Total volume of water recycled and reused (m3)	2017	2018
Recycled water	455,417	400,054
Reused water	53681	0
Total	509,098	400,054

% water recycled & reused / global consumption	2017	2018
Recycled water	2.18%	2.01%
Reused water	0.26%	0.00%
Total	2.44%	2.01%

CLIMATE CHANGE AND PROTECTION OF BIODIVERSITY

The Ebro Group takes an active approach to the promotion and investigation of environmentally sustainable growing techniques for application in the production of its principal agricultural raw materials (rice, durum wheat and tomatoes) and to contribute towards greater preservation of the environment, biodiversity and mitigation of climate change by applying growing techniques to reduce crop emissions. This work is done through own initiatives and specific collaborations with stakeholders and sectoral associations, particularly the Sustainable Agriculture Initiative Platform (SAI Platform) and the Sustainable Rice Platform.

In this context, with regard to durum wheat and tomatoes, the French subsidiary Panzani is developing the programme “Nature” with a view to changing the growing practices of the suppliers in its supply chain so that their raw materials are free from pesticide residues by 2025.

With regard to rice, the Group has continued working in collaboration with other stakeholders on the development of projects to enhance environmental sustainability and preserve biodiversity in different production areas. The most representative examples of this work are:

- “Sustainable Hom Mali Rice programme”: Our subsidiary Herba Bangkok, Mars Food, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and the Thai Rice Department have jointly created an innovative programme to improve the economic viability of 1,200 Thai rice growers and develop high quality, sustainable Hom Mali rice (Jasmine rice) using a Climate-Smart system to mitigate climate change in the province of Roi Et. This programme will be developed over a period of two and a half years, from 2018 to 2020.
- Biodiversity in the Ebro Delta: Through the collaboration of Ebro Foods and Kellogg with the Institute for Research and Technology in Food and Agriculture (IRTA), biodiversity management was studied for the benefit of the rice crop and

its sustainability in the Ebro Delta. The IRTA researchers made this analysis with active collaboration from growers, along with sector and environmental experts, to identify the best measures to protect biodiversity in the paddy fields while assisting growers. They took into account agricultural, environmental, economic and social factors. The study concluded that the measures most highly valued by the agricultural community and most effective in enhancing biodiversity in this region were to plant yellow flag to maintain the stability of the drainage channels and increase the bat population by installing artificial roosts (bat boxes) to improve pest control.

- “Oryzonte” Programme: This project, developed at the Guadalquivir Marshes (Seville) together with Mars Food and Danone, works on three core areas:
 1. Good growing practices: training of growers in eco-friendly growing practices, such as the enhanced use of fertilizers and chemical products
 2. Reduction of water consumption and GHG emissions
 3. Biodiversity: the project will foster the implementation of measures to enhance biodiversity at the Seville rice farms, with demonstration fields and training activities.

The Ebro Group is also a member of the Climate Change Cluster promoted by Forética (www.foretica.org). In that Cluster, a group of large companies work together to lead the strategic positioning addressing climate change in the business agenda, discuss and exchange views and good practices, be part of the global debate and become key players in the decisions made at the administrative level.

Moreover, within our commitment to the rest of our value chain, in 2016 we started using the Sedex platform as a management tool, a programme to monitor the environmental (social and governance) -ESG- performance of our industrial suppliers through ethics audits and collaboration with them where necessary to enhance their environmental practices. During 2018 we continued working on the engagement stage, explaining our initiative to suppliers and asking them to register with SEDEX to assess their CSR performance. When this stage is concluded, we will make a risk analysis to define priorities for the ethics audit plan to be developed (last stage).

Operational sites in, or adjacent to, protected areas or areas of high biodiversity value outside protected areas [304-1]

Of our 63 production plants, only the Riviana rice plant in Freeport, Texas is adjacent to a wetland with protected area status, Brazos River.

Significant impacts of activities, products, and services on biodiversity [304-2]

There have been no impacts in any areas considered of high biodiversity value.

Habitats protected or restored [304-3]

No restoration measures have been implemented in protected habitats.

Water sources significantly affected by water withdrawal [303-2]

There has been no impact on water bodies or habitats of high biodiversity value.

Significant spills [306-3] and water bodies affected by water discharges and/or runoff [306-5]

There have been no significant spills or any impact on habitats of high biodiversity value.

POLLUTION

In 2016, Herba Ricemills obtained the Environmental Product Declaration (EPD) Certificate for its 1 kg packs of SOS short-grain and long-grain rice. This environmental declaration was prepared following the methodology of product Life Cycle Assessment (LCA), including the entire production chain from the rice growing, industrial phase and distribution of the packaged product, its use for human consumption and final disposal of the material.

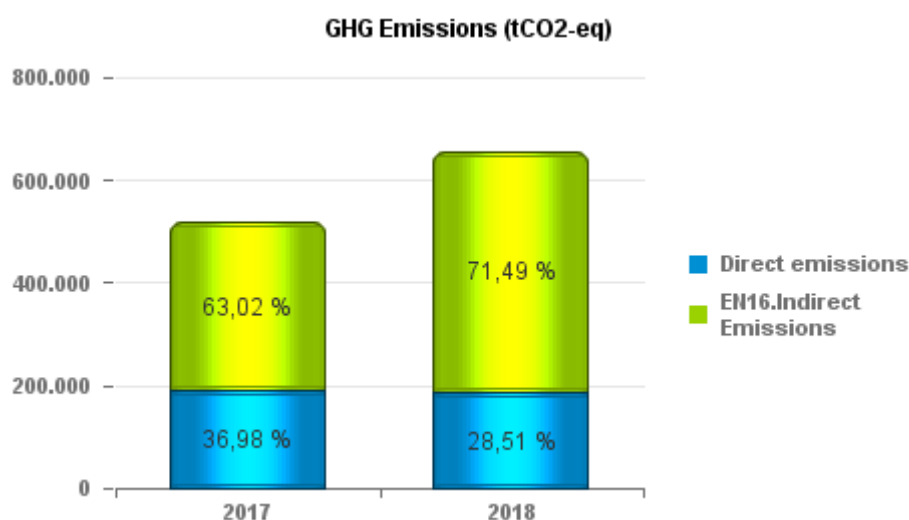
The LCA study is based on the following ISO standards and product category rule indicated below:

- ISO 14040:2006 - Environmental management - Life cycle assessment - Principles and framework
- ISO 14044:2006 - Environmental management - Life cycle assessment - Requirements and guidelines
- ISO 14025:2006 - Environmental labels and declarations - Type III environmental declarations - Principles and procedures
- PCR: 2013:04 v 1.02; UN CPC 231, GRAIN MILL PRODUCTS; version 1.02.

The LCA revealed that the stages with the greatest environmental impact as regards greenhouse gas emissions are the agricultural stage (45-54%) and the use and final disposal of the product (33-36%), the industrial stage being the one with the least environmental impact (10-17%).

Direct and indirect GHG emissions (Scopes 1 and 2) [305-1 / 305-2]

GHG emissions (t CO ₂ -eq)	2017	2018
Direct emissions	191,256	186,993
Indirect emissions	325,979	468,782
Total emissions	517,234	655,775



Other indirect GHG emissions (Scope 3) [305-3]

In 2015, the rice division of Ebro Foods contracted its main shipping service provider, EccoFreight, to calculate the carbon footprint of shipping our raw materials and products.

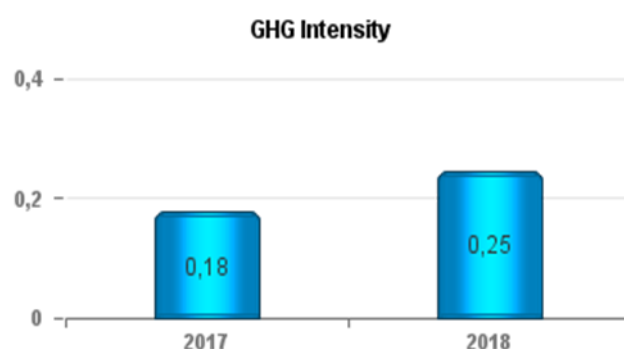
This calculation is made using the tool Eccoprint developed by EccoFreight and has a gate-to-gate scope, including the transport (by rail and/or road) from the source plant to the port of departure and from the port of arrival to our plants.

In 2018, EccoFreight handled 74% of the shipments managed by Herba Ricemills for the entire Group, with 202,790 tonnes shipped (11,218 TEUs) and the GHG emissions totalled 33.894 t of CO₂ eq. These emissions are not counted to calculate the indicator 305-3.

Moreover, in 2017 Ebro Foods started using the Cool Farm Tool predictive model of Cool Farm Alliance, of which it is a member, to estimate the GHG emissions generated in the production of its agricultural produce, which account for over 50% of the carbon footprint of its products in the case of rice.

GHG emissions intensity [305-4]

	2017	2018
Total produced (t)	2,912,525	2,671,856
Total GHG emissions (t CO ₂ -eq)	517,234	655,775
GHG emissions intensity (t CO₂-eq /t product)	0.18	0.25



Emissions of ozone-depleting substances [305-6]

We are analysing the materiality of this indicator. So far, we only have partial data for some plants, so it will not be reported this year.

NO_x, SO_x and other significant air emissions [305-7]

We are analysing the materiality of this indicator. So far, we only have partial data for some plants, so it will not be reported this year.

Greenhouse gas reduction goals

At the end of 2018, the Ebro Group drew up its Global Sustainability Plan 2030, defining three work packages, one of which corresponds to reduction of our environmental impact.

Bloques de Trabajo	Ámbitos de actuación
Caring for You	Ética y cumplimiento (DDHH) Gestión del capital humano Desarrollo de las comunidades locales
Caring for Food	Alimentación saludable y diferenciada Calidad y seguridad alimentaria Innovación
Caring for the Earth	Sostenibilidad de la cadena de suministro Sostenibilidad medioambiental

Work Packages	Areas of action
Caring for You	Ethics & compliance (HR) Management of human capital Development of local communities
Caring for Food	Healthy, differentiated food Food safety and quality Innovation
Caring for the Earth	Sustainability of the supply chain Environmental sustainability

Based on this Global Sustainability Plan, the Group companies will work on their individual goals during the coming year.

ANNEX: Index of contents required by Act 11/2018 of 28 December amending the Commercial Code, the recast Corporate Enterprises Act approved by Legislative Royal Decree 1/2010 of 2 July, and the Audit Act 22/2015 of 20 July, regarding the disclosure of non-financial and diversity information

General areas

Area		Reporting framework	Reference	Comments / Reason for omission
Business model	Description of the business model: <ul style="list-style-type: none"> – Business environment – Organisation and structure – Markets in which it operates – Objectives and strategies – Principal factors and trends that may affect its future evolution 	102-2, 102-7, 102-3, 102-4, 102-6, 102-15	7-11 18-22	
General	Mention in the report of the national, European or international reporting framework used to select the key non-financial performance indicators included in each section. If the company complies with the non-financial reporting act by issuing a separate report , it must expressly state that said information forms part of the management report.	102-54	2	
Management focus	Description of the policies applied by the group in respect of these matters, including the due diligence procedures applied for the identification, assessment, prevention and mitigation of material risks and impacts and those of verification and control, including the measures implemented.	103-1 103-2	12-17	
	The results of those policies , including the relevant key non-financial performance indicators enabling the monitoring and assessment of progress and favouring comparison between companies and sectors, according to the national, European or international frameworks used.	103-2 103-3	14-15	
	The main risks related with those issues linked to the group's activities, including, where necessary and proportional, its commercial relations, products or services that may have an adverse effect on those areas and how the company manages those risks, explaining the procedures followed to	102-15	18-22	

	detect and assess them in accordance with the national, European or international frameworks for each area. This should include information on the impacts detected, giving a breakdown, particularly regarding the main risks in the short, medium and long term.			
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Environmental aspects

Area		Reporting framework	Reference	Comments / Reason for omission
Management focus				
Environmental management	Existing and foreseeable effects of the company's activities	Internal framework: internal procedures, Code of Conduct, GRI 307-1	53-54	
	Environmental certification or assessment procedures	ISO 14001	56	
	Resources employed for preventing environmental risks	Internal framework: Accounting	55	
	Application of the precautionary principle	GRI 102-11	56	
	Quantity of provisions and guarantees for environmental risks	Internal framework: Insurance policy for third-party liability and accidental pollution damage	55	
Pollution	Measures to prevent, reduce or remedy carbon emissions (including noise and light pollution)	GRI 305-1, 305-2, 305-3, 305-6, 305-7	67-69	
Circular economy and waste management and prevention	Measures for waste prevention, recycling, reuse and other forms of recovery and elimination	GRI 301-2, 301-3, 306-1, 306-2	57-59	
	Actions to combat food waste	Internal framework: donations to food banks	58	
Sustainable use of resources	Water consumption and water supply within local limits	GRI 303-1	64-65	
	Consumption of raw materials	GRI 301-1, 301-2	60-61	
	Measures taken to make the use of water more efficient	GRI 302-4	63	
	Direct and indirect energy consumption	GRI 302-1, 302-2, 302-3	61-63	
	Measures implemented to enhance energy efficiency	GRI 302-4	63	
	Use of renewable energies	GRI 302-1	61	
Climate change	Important elements of the GHG emissions generated	GRI 305-1, 305-2, 305-3	67-68	

	Measures taken to adapt to the consequences of climate change	Internal framework: sustainable agriculture projects	65-70	
	Reduction goals established voluntarily	GRI 305-5, 301-1	69-70	
Protection of biodiversity	Measures taken to preserve or restore biodiversity	GRI 304-3	65-67	
	Impacts caused by activities or operations in protected areas	GRI 303-2, 304-2, 306-5	67	

Social and employee aspects

Area		Reporting framework	Reference	Comments / Reason for omission
Management focus				
Employment	Total number and distribution of employees by gender, age, country and professional category	GRI 405-1	29-31	
	Total number and distribution of types of employment contract	GRI 401-1	31	
	Annual average of permanent, temporary and part-time contracts by gender, age and professional category	GRI 401-1, 405-1	31-32	The average contracts by professional category is not reported, as that detail is not characterised in the reporting tool. It will be included next year
	Number of dismissals by gender, age and professional category	GRI 401-1	32	
	Pay gap	GRI 405-2	37-40	
	Average remuneration by gender, age and professional category	GRI 405-2	38-39	The average by age is not reported, as that detail is not characterised in the reporting tool. It will be included next year
	Average remuneration of directors by gender	GRI 102-35	39-40	
	Average remuneration of executives by gender	GRI 102-35	40	
	Implementation of policies on disconnection from work		29	There are no policies on disconnection from work
	Employees with disability	GRI 405-1	37	
Organisation of work	Organisation of working time	GRI 401-2, 401-3	33	
	Number of hours absenteeism	GRI 403-2	33	
	Measures to facilitate work-life balance and responsible joint exercise of those measures by both parents	GRI 401-2, 401-3	33	
Health and safety	Conditions of health and safety at work	GRI 403-1, 403-2, 403-3, 403-4	34	
	Number of occupational injuries and disease by gender, frequency rate and severity by gender	GRI 403-2, 403-3	34-35	
Labour relations	Organisation of social dialogue	GRI 402-1, 403-1, 403-4	34-35	
	Percentage of employees covered by collective agreements by country	GRI 102-41	35	

	Balance of collective agreements, particularly in the area of health and safety at work	GRI 102-41, 403-4	34	
Training	Policies implemented in the training area	GRI 404-2	35	
	Total hours training by professional category	GRI 404-1	36	
Universal accessibility by persons with disability		GRI 405-1	36-37	
Equality	Measures implemented to promote equal treatment and opportunities between women and men	GRI 401-3, 405-1, 405-2	36	
	Equality plans Measures taken to promote employment, protocols against sexual and gender-related harassment	GRI 103-2, 405-1	36	
	Integration and universal accessibility of persons with different abilities	GRI 405-1	36-37	
	Policy against all forms of discrimination and, where appropriate, diversity management	GRI 103-2, 406-1	23	

Information on respect for human rights

Area	Reporting framework	Reference	Comments / Reason for omission
Management focus			
Application of due diligence procedures in respect of human rights	GRI 103-2, 412-2	23	
Prevention of the risks of violating human rights and, where necessary, measures to mitigate, manage and redress possible abuse committed	GRI 412-2	23-24	
Complaints of violation of human rights	GRI 406-1	23-24	
Promotion and compliance with the ILO fundamental conventions related with respect for the freedom of association and right to collective bargaining, elimination of discrimination in employment and occupation, elimination of forced or mandatory labour and effective abolition of child labour	GRI 405-1, 407-1, 408-1, 409-1, 410-1	23	

Information on anti-corruption and bribery

Area	Reporting framework	Reference	Comments / Reason for omission
Management focus			
Anti-corruption and bribery measures	GRI 205-1, 205-2, 419-1	25-26	
Anti-money laundering measures	GRI 205-2, 419-1	27	
Contributions to foundations and not-for-profit entities	GRI 201-1, 413-1	41, 43-46	

Information on the company

Area		Reporting framework	Reference	Comments / Reason for omission
Management focus				
Company's commitments to sustainable development	Impact of the company's activities on local development and employment	GRI 102-42, 102-43	41, 43-46	
	Impact of the company's activities on local populations and region	GRI 411-1, 413-2	41, 43-46	
	Relations with local communities and forms of dialogue with them	GRI 102-43	43-46	
	Association or sponsorship actions	GRI 203-1, 102-12, 102-16, 102-13	43-46	
Outsourcing and suppliers	Inclusion in the procurement policy of social, gender equality and environmental issues	GRI 102-9, 308-1, 414-1	47	
	Consideration in relations with suppliers and subcontractors of their social and environmental responsibility	GRI 102-9, 414-2	47	
	Supervision and audit systems and results	GRI 308-2, 407-1, 408-1, 409-1	47-48	
Consumers	Measures to guarantee consumer health and safety	GRI 416-1	49-50	
	Grievance systems	GRI 416-2, 418-1	50-51	
	Complaints received and solution provided	GRI 103-2, 416-2, 417-2	51-52	
Tax information	Profit obtained, country by country	GRI 201-1	42	
	Corporate income tax paid	Internal framework: Tax and Finance Departments	42	
	Government grants received	GRI 201-4	42	

**Independent Limited Assurance Report of the Non-Financial Statement
for the year ended December 31, 2018**

EBRO FOODS, S.A. AND SUBSIDIARIES

Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails.

INDEPENDENT LIMITED ASSURANCE REPORT OF THE CONSOLIDATED NON-FINANCIAL STATEMENT

To the Shareholders of EBRO FOODS, S.A.:

Pursuant to article 49 of the Code of Commerce we have performed a verification, with a limited assurance scope, of the accompanying Consolidated Non-Financial Statement (hereinafter NFS) for the year ended December 31, 2018, of EBRO Foods S.A. and subsidiaries (hereinafter, the Group), which is part of the Director's Report of the Group.

The content of the NFS includes information additional to that required by current mercantile regulations regarding non-financial information that has not been the object of our verification work. In this sense, our work has been limited exclusively to the verification of the information identified in the table "Index of contents required under Law 11/2018" included in the attached NSF.

Responsibility of the Directors

The Board of Directors of EBRO FOODS, S.A. is responsible for the approval and content of the NFS included in the Director's Report of EBRO FOODS, S.A. The NFS has been prepared in accordance with the content established in prevailing mercantile regulations and the criteria of the selected GRI standards, as well as other criteria described in accordance with that indicated for each subject in the section: "Table of contents required under Law 11/2018 of December 28 on disclosure of nonfinancial and diversity information", included in the aforementioned Statement.

The directors are also responsible for the design, implementation and maintenance of such internal control as they determine is necessary to enable the preparation of a NFS that is free from material misstatement, whether due to fraud or error.

EBRO FOODS, S.A. administrators are further responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFS is obtained.

Our independence and quality control procedures

We have complied with the independence and other Code of Ethics requirements for accounting professionals issued by the International Ethics Standards Board for Accountants (IESBA), which is based on the fundamental principles of integrity, objectivity, professional competence, diligence, confidentiality and professionalism.

Our Firm complies with the International Standard on Quality Control No. 1 and thus maintains a global quality control system that includes documented policies and procedures related to compliance with ethical requirements, professional standards, as well as applicable legal provisions and regulations.

The engagement team consisted of experts in the review of Non-Financial Information and, specifically, in information about economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed, that refers exclusively to 2018. Information on prior years was not subject to the verification required by prevailing mercantile regulations. Our review has been performed in accordance with the requirements established in prevailing International Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (ISAE 3000) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the Guide for Non-Financial Statement verification engagements, issued by the Spanish Institute of Chartered accountants.

The procedures carried out in a limited assurance engagement vary in nature and timing and are smaller in scope than reasonable assurance engagements, and therefore, the level of assurance provided is likewise lower.

Our work consisted in requesting information from Management and the various Group units participating in the preparation of the NFS, reviewing the process for gathering and validating the information included in the NFS, and applying certain analytical procedures and sampling review tests as described below:

- ▶ Meeting with Group personnel to know the business model, policies and management approaches applied, the main risks related to these matters and obtain the necessary information for our external review.
- ▶ Analyzing the scope, relevance and integrity of the content included in the NFS based on the materiality analysis made by the Group and described in the section "The Organization of EBRO FOODS GROUP", considering the content required by prevailing mercantile regulations.
- ▶ Analyzing the processes for gathering and validating the data included in the 2018 Non-Financial Statement.
- ▶ Reviewing the information on the risks, policies and management approaches applied in relation to the material aspects included in the NFS.
- ▶ Checking, through tests, based on a selection of a sample, the information related to the content of the 2018 NFS and its correct compilation from the data provided.
- ▶ Obtaining a representation letter from the Directors and Management.

Conclusion

Based on the procedures performed in our verification and the evidence obtained, no matter came to our attention that would lead us to believe that the 2018 NFS of the Group has not been prepared, in all material respects, in accordance with the content established in prevailing mercantile regulations and the criteria of the selected GRI standards, as well as other criteria described in accordance with that indicated for each subject in the section: "Table of contents required under Law 11/2018 of December 28 on disclosure of non-financial and diversity information", included in the aforementioned Statement.

Use and distribution

This report has been prepared as required by prevailing mercantile regulations in Spain and may not be suitable for any other purpose or jurisdiction.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

Alberto Castilla Vida

April 1, 2019