



**CORPORATE SOCIAL RESPONSIBILITY POLICY  
OF THE EBRO FOODS GROUP**



## 1. Introduction

Pursuant to section 529 ter of the Spanish Corporate Enterprises Act (“LSC”), the Board of Directors has the non-delegable power to approve the corporate social responsibility policy.

The Good Governance Code presented by the National Securities Market Commission (CNMV) in February 2015 provides as follows in Recommendation 54: “*The corporate social responsibility policy should include the principles or undertakings voluntarily assumed by the company in its relationship with the different stakeholders, indicating at least:*

*a) The objectives of the corporate social responsibility policy and development of support tools.*

*b) The corporate strategy on sustainability, the environment and social issues.*

*c) The specific practices on issues related with shareholders, employees, customers, suppliers, social issues, environment, diversity, tax liability, respect for human rights and prevention of illegal conduct.*

*d) The methods or systems for monitoring the outcome of applying the different specific practices mentioned in the preceding paragraph, the associated risks and their management.*

*e) The mechanisms for supervising non-financial risk, ethics and business conduct.*

*f) The channels for communication, participation and dialogue with interest groups.*

*g) The responsible communication practices in place to prevent manipulation of information and protect integrity and honour.”*

The Ebro Foods Group (the **Group**) has established sustainable growth as the pillar of its business management strategy to enable its consolidation as a benchmark business group in its areas of activity and its positioning as a global, sound, innovative, responsible company committed to social well-being, environmental balance and economic progress.

This involves developing a business model focussed on value generation, taking account of the interests of its human team, shareholders, institutional investors, customers, suppliers, media, communities in which the Group operates and the environment.

In this regard, the Group has gone beyond the goal of purely achieving financial yield, incorporating environmental, social and ethical criteria in its decision-making processes, alongside the typical economic variables.

The Group thus upholds its Corporate Social Responsibility (**CSR**) as the creation of a sustainable business model which, apart from value, yield and competitiveness, also



contributes towards the progress of society and generates trust and confidence among our stakeholders.

Five strategic areas have been identified for this purpose, **Our Team, Our Community, Our Public, Our Shareholders** and **Our Environment**, as defined below. The policies and principles of action are aligned with these five areas, making sustainable development a cross-cutting action implemented in all the companies of the Ebro Group.

- **Our Team:** the Group's professionals, including directors, executives and employees.
- **Our Community:** all communities in which the Group operates, directly or through third parties.
- **Our Public:** consumers and customers.
- **Our Shareholders:** shareholders, institutional investors and proxy advisors.
- **Our Environment:** natural spaces and areas affected by the Group's activity.

## 2. Purpose of the Policy

Through this Corporate Social Responsibility Policy (the **Policy**) the Board of Directors of Ebro Foods, S.A. (the **Company**) lays down the basic principles and general framework for action in the CSR assumed by the Company and the Group.

## 3. Scope

This Policy is applicable to the Company and the Group.

Group companies may also develop their own internal rules on corporate social responsibility, provided they do not contradict the principles established within this Policy and impose stricter requirements than those set out herein.

## 4. Policy Objectives

**4.1.** Promote sustainable food with a high value added to meet society's nutritional requirements and improve people's health and well-being.

**4.2.** Secure a sustainable business model which, in the medium and long term, boosts our value, yield and competitiveness, contributes towards development in the social community and generates confidence among our stakeholders.

**4.3.** Foster a responsible management culture, upholding compliance with the laws in place, control and management of business risks, including tax risks, and internal control of financial reporting.



4.4. Promote a corporate strategy based on the principles established in the Code of Conduct, sustainable in the long term and committed to the environment, the communities in which the Group operates and its stakeholders.

## 5. Development and supplementing of the Policy

This Policy is developed and supplemented by the principles established in the Code of Conduct and Internal Code of Market Conduct and by the different corporate policies, which are the main support tool for achieving the objectives of this Policy.

## 6. Principles for action

### 6.1. **Regarding good corporate governance and ethical management of business:**

- Foster ethical management based on good governance practices and fair competition.
- Comply with current laws, acting at all times with a view to preventing and minimising economic, social and environmental risks, including tax risks.

### 6.2. **Regarding financial sustainability and long-term focus:**

- Secure return on investment while guaranteeing the operating and financial soundness of its business activities.
- Pay attention to business profit as one of the bases for future sustainability of the company and the numerous economic actors related directly and indirectly with it.

### 6.3. **Regarding the management of human capital and development of talent:**

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

### 6.4. **Regarding fundamental human rights:**

- Fundamental and universal human rights must be construed and recognised in accordance with international laws and practice.
- Any form of abuse or violation of those rights in any of the stakeholders is rejected.

### 6.5. **Regarding the generation of value for the community:**

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



**6.6. Regarding the sustainability of the value chain:**

- Ensure compliance with sustainable standards from a social, economic and environmental point of view throughout the life cycle of the Group's products.

**6.7. Regarding customers:**

- Meet and anticipate the needs of our consumers and customers, offering a broad range of products and healthy, distinguished food.

**6.8. Regarding environmental protection:**

- Guide the processes, activities and decisions of the company to protect the environment, prevent and minimise environmental impact, optimise the use of natural resources and mainstream biodiversity conservation.

**6.9. Regarding stakeholders:**

- Develop a framework of responsible, truthful, transparent communication and dialogue with stakeholders, establishing perfectly identified stable communication channels.

**6.10. Regarding the rendering of accounts and transparency:**

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

**7. Specific areas of action**

The Group's corporate social responsibility is implemented through specific corporate actions and policies regarding (i) the five areas of action identified above, (ii) the business practices required of suppliers and (iii) Group practices in respect of risks, including tax risks, and the communication of information.

**7.1. Regarding Our Team:**

- The basic principles and rules of action are set out in the internal code of market conduct, code of conduct, executive remuneration policy and director selection policy.
- The personal and professional development of directors, executives and employees of the Group is fostered, encouraging them to improve their skills and abilities.
- The selection, recruitment, training and internal promotion of professionals are based on principles of equal opportunities and non-discrimination, with clear criteria on capacity, competence and professional merit.



- A good work-life balance is endeavoured, helping executives and employees to strike a balance between their private responsibilities and professional duties and respecting their privacy in all forms.
- Professionals are offered fair pay, in line with salary levels prevailing on the labour market.
- The Group endeavours to secure a safe, healthy working environment for its professionals and its companies are expected to take all reasonable measures to maximise the prevention of occupational hazards.

## **7.2. Regarding Our Community:**

- The Group's social action policy develops the criteria for action in this area according to principles of transparency, adaptability and value added.
- The actions to be developed directly with Our Community will focus mainly on the following areas:
  - (i) initiatives to promote assistance and social integration of groups at the risk of exclusion in the Group's areas of influence;
  - (ii) projects related with education and access to employment, as well as the inclusion of disabled persons in society and the labour market;
  - (iii) donations of the Group's food products;
  - (iv) social and environmental crop standard development programmes that enhance sustainable farming solutions; and
  - (v) implementation and development of best practices in our value chain.
- The Ebro Foods Foundation is the main driving force behind the Group's social action. Its collaboration is considered an additional contribution towards the well-being of communities, the generation of a positive, long-lasting impact and the transformation and enhancement of the areas in which the Group's companies are present.
- This notwithstanding, the Group companies are free to develop their own social actions linked to their business activities or to contribute towards the creation of value in the companies in which they operate.
- The Company will report each year to the Board of Directors and Shareholders in general meeting of all actions taken in this area, which will be included in the Group's Corporate Social Responsibility Report and published on the website of the Foundation.



### **7.3. Regarding Our Public:**

- The Code of Conduct develops the basic rules and principles governing the relations of the Group and its professionals with consumers and customers.
- Relations with Our Public are based on the promotion of a healthy diet, offering customers and consumers a wide range of Group products in the Health segment.
- The actions in this area focus on the following fields:
  - (i) Development of a portfolio of products designed to enhance consumers' health and well-being;
  - (ii) Promotion of healthy eating habits;
  - (iii) Implementation of standards that guarantee food safety and quality for our customers and consumers.
- The Group undertakes to offer 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.
- Maximum transparency is sought in all information provided for customers and consumers.

### **7.4. Regarding Our Shareholders:**

- Actions in this area must comply with the applicable legal provisions, rules on corporate governance, Articles of Association, Regulations of the General Meeting, Regulations of the Board of Directors and Internal Code of Market Conduct.
- Moreover, these actions must be governed by the principles and rules established in the code of conduct, dividend policy, shareholders' premium policy and the policy on communication and reporting to shareholders, institutional investors and proxy advisors.
- Relations with Our Shareholders are subject to the principles of transparency, truthfulness and permanent, adequate, immediate information, as well as the principle of non-discrimination and equal treatment for all shareholders who are in identical conditions and not affected by conflicts of interest or competition.
- The Group will endeavour to secure the largest possible sustained, fair profit for its shareholders and investors.
- As a rule, premiums will be established for attending general meetings to encourage participation by shareholders and reduce absenteeism. These



premiums will take the form of a gift related with the Group's products or brands.

#### **7.5. Regarding Our Environment:**

- These actions will be governed by the principles and rules established in the code of conduct, developed in the environmental policy.
- Programmes will be developed to improve energy efficiency and the use of water.
- Actions will be assessed and developed to reduce emissions.
- Environmental sustainability programmes will be applied in specific matters.

#### **7.6. Regarding suppliers:**

- In their relations with the Group, apart from the Code of Conduct, suppliers are obliged to comply with the principles, rules and business practice established in the Suppliers Code of Conduct.
- Suppliers are required to act in accordance with the rules and principles prevailing in the Group on the following issues:
  - (i) Commercial integrity
  - (ii) Labour rules
  - (iii) Human rights
  - (iv) Child labour
  - (v) Forced or compulsory labour
  - (vi) Freedom of association and collective bargaining
  - (vii) Equality of opportunity and treatment
  - (viii) Salaries and working hours
  - (ix) Health and safety
  - (x) Product safety and quality
  - (xi) Environment



### **7.7. Regarding tax risks:**

- In this area, the Group is guided by the principles set out in the Risk Control and Management Policy, which contemplates tax risks. It aims to secure responsible compliance with the tax laws in place in each jurisdiction in which it operates and reach an optimum level of management of these risks.
- The Group has developed a tax risk control and management system to ensure respect of the principles set out in that risk policy and correct fulfilment of its tax obligations.
- To implement the Tax Risk Control System, a number of areas with “potential tax risk” have been identified and are submitted to specific monitoring: compliance, tax credits, tax inspections, tax lawsuits, related party transactions, restructuring operations and investments/divestments.
- A person will be appointed in each Group company to be responsible for certifying and informing the Tax Department of the Company of adequate performance of the control system in respect of the specified areas. In turn, the head of the Group Tax Department will report regularly to the Risks Committee on the results of those certifications, and that information will be passed on as appropriate to the Board of Directors.
- The Board will also be informed of any significant tax consequences of any transactions or business that must be submitted to the Board for approval.

### **7.8. Regarding communication of information**

- The Group’s actions in this area are governed by the rules and principles established in the code of conduct, internal code of market conduct, corporate governance policy and the policy on communication and reporting to shareholders, institutional investors and proxy advisors.
- The Group assumes transparent reporting as a principle, undertaking to deliver reliable financial, accounting and other information to the markets.
- Relations with investors and financial analysts are channelled through the Ebro Foods unit responsible for relations with investors.
- Relations with the media are channelled through the Ebro Foods unit responsible for communication.
- The stable communication and reporting channels are, apart from the National Securities Market Commission, the Company’s corporate website [www.ebrofoods.es](http://www.ebrofoods.es), the Shareholders’ Office and the Investors’ Club.
- Regular meetings are held to inform shareholders and investors on the development of the Company and Group. These meetings are subject to the principle of equal treatment and non-discrimination and fluent communication



is maintained with the proxy advisors who express an interest in the items on the agenda established for each general meeting of shareholders.

#### **8. Supervision and monitoring of the Policy**

- The Company's Audit and Compliance Committee is responsible for reviewing this Policy, making sure it is geared towards the creation of value, as well as supervising compliance and monitoring the Group's CSR strategy and practices.
- Each year, the Board of Directors of the Company will approve a report on matters related with the Group's CSR, drawn up according to one of the internationally accepted methods.
- The Corporate Social Responsibility Reports will be published permanently on the corporate website.

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