



**POLICY ON SUSTAINABILITY, ENVIRONMENT AND CORPORATE
SOCIAL RESPONSIBILITY IN THE EBRO FOODS GROUP**



1. Introduction

Pursuant to section 529 ter of the Corporate Enterprises Act, the Board of Directors has the non-delegable duty to approve the corporate social responsibility policy.

Similarly, the Code of Good Governance issued by the National Securities Market Commission, following its amendment in June 2020, establishes in Principle 24 that: “*The Company shall promote an adequate environmental and social sustainability policy, as a non-delegable duty of the Board of Directors, transparently offering sufficient information on its development, application and results.*” That principle is reflected in Recommendation 55, according to which: “*The environmental and social sustainability policies shall identify and contemplate at least the following:*

a) The principles, commitments, objectives and strategy regarding shareholders, employees, customers, suppliers, social issues, environment, diversity, tax responsibility, respect of human rights and prevention of corruption and other illegal conduct.

b) The methods or systems for monitoring compliance with the policies, the associated risks and management thereof.

c) The mechanisms for supervising non-financial risk, including that related with ethical aspects and business conduct.

d) The channels for communication, participation and dialogue with stakeholders.

e) The responsible communication practices that avoid the manipulation of information and protect integrity and honour.”

The Ebro Foods Group (“**Group**”) considers sustainable growth to be the pillar of its business management strategy, through which it consolidates its position as a benchmark business group in its areas of activity and as a sound, innovative, sustainable, responsible, global enterprise, committed to: (i) social well-being, diversity, environmental balance and social and economic progress; and (ii) tax responsibility, respect of human rights and prevention of corruption and other illegal conduct.

This entails developing a business model focusing on the generation of value, taking into consideration the interests of its human team, shareholders and investors, customers, suppliers, the media, the communities in which the Group operates and the environment.

In this regard, the Group looks beyond the exclusive goal of achieving financial yield and now includes environmental, social and ethical criteria alongside economic variables in its decision-making processes.

The Group thus undertakes, as an essential principle in its actions, the creation of a business model that is respectful of and sustainable for the environment and society overall and, while ensuring value, profitability and competitiveness, it promotes diversity, respect for human rights, tax responsibility and the prevention of corruption, thus contributing towards the progress of society and generating trust among our stakeholders.



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

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

2. Object

Through this Sustainability, Environment and Corporate Social Responsibility Policy (**“Policy”**), the board of directors of Ebro Foods, S.A. (**“Company”**) establishes the basic principles and general framework for actions undertaken by the Company and the Group in respect of sustainability, environment and corporate social responsibility.

3. Scope

This Policy is applicable to the Company and the Group.

The Group companies may also develop their own internal regulations on any subject-matter falling within the scope of this Policy, provided they do not contradict the principles established herein or in other applicable internal Policies or Codes related with this one and lay down more stringent requirements.

4. Development and supplementing of the Policy

This Policy is supplemented and developed by the other Policies and internal regulations of the Ebro Group, particularly the Group’s Code of Conduct, Supplier Code of Conduct and the Policies on Social Action; Communication of Financial, Non-Financial and Corporate Information; Communication and Relations with Shareholders, Institutional Investors and Proxy Advisors; Risk Control and Management; and Corruption and Bribery.

5. Principles

5.1. **With regard to good corporate governance and ethical business management:**

- Encourage ethical management based on good governance practices and fair competition.



- Comply with the laws in place, with a preventive approach at all times, endeavouring to minimise economic, social and environmental risks, including tax risks.

5.2. With regard to financial sustainability and long-term focus:

- Seek returns on investments while guaranteeing the operational and financial strength of the Group's activities.
- Secure business profit as one of the foundations for the future sustainability of the company and the large groups of agents directly and indirectly related with it.

5.3. With regard to the management of human capital and development of talent:

- 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.

5.4. With regard to human rights:

- Respect the fundamental and universal human rights and interpret and recognise them in accordance with international laws and practice.
- Reject any form of abuse or violation of human rights among any of the stakeholders.

5.5. With regard to the generation of value for the community:

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

5.6. With regard to sustainability of the value chain:

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

5.7. With regard to suppliers and customers:

- Encourage our suppliers to comply with our Code of Conduct and follow the Policies applicable to them.
- Meet and anticipate the needs of our consumers and customers, offering a broad range of products and healthy, differentiated food.



5.8. With regard to care for the environment

- Steer the company's processes, activities and decisions to protect our environment, prevent and minimise environmental impact, optimise the use of natural resources and preserve biodiversity.

5.9. With regard to stakeholders

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

5.10. With regard to the rendering of accounts and transparency

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

6. Specific areas of action

The Group's Corporate Social Responsibility is developed through specific actions related with: (i) the five pillars of action identified, (ii) the business practices required of our suppliers and (iii) the Group's practices in respect of diversity, risks, including tax risks, prevention of corruption and bribery and illegal conduct, and the communication of information.

6.1. With regard to our team:

- Their basic principles and rules of action are set out in the Internal Code of Market Conduct, the Code of Conduct, the Senior Executive Remuneration and Incentive Policy and the Policy on the Selection of Directors and Diversity in the Composition of the Board.
- The personal and professional development of directors, executives and employees of the Group is promoted, encouraging them to improve their skills and abilities.
- All actions related with the selection, hiring, training and internal promotion of professionals are based on the principles of equal opportunities and non-discrimination and clear criteria of capacity, competence and professional merit.
- A good work-life balance is encouraged, helping our professionals to achieve a good balance between their family and labour responsibilities and respecting their right to privacy in all aspects.
- Professionals are offered fair pay in keeping with the labour market.
- We endeavour to guarantee a safe, healthy work environment for our professionals. Our companies are expected to take all reasonable measures to maximise the prevention of work-related risks.



6.2. With regard to our community:

- The Group's Social Action Policy develops the criteria for actions in this area, based on the principles of transparency, adaptability and value added.
- Actions to be developed directly with our community focus mainly on the following areas:
 - (i) social action and cooperation to secure development in the most needy or disadvantaged segments of society;
 - (ii) education, vocational training and entrepreneurship;
 - (iii) implementation in society of sustainable and healthy eating habits;
 - (iv) creation of environmental value through the implementation and development of sustainable agricultural systems and other specific environmental projects;
 - (v) donations of the Group's food products;
 - (vi) implementation and development of best practices in our value chain.
- The Ebro Foods Foundation is the main driving force of the Group's social action. Its collaboration is an added contribution towards the well-being of communities, the generation of a lasting positive impact and the transformation and enhancement of the areas where Group companies operate.
- This notwithstanding, Group companies may develop their own social action linked to their specific business activities or contributing towards the creation of value in the communities in which they operate.
- The Board and General Meeting shall be informed every year on the actions performed in this area, which shall be included in the Group's Corporate Social Responsibility Report and published on the Foundation's website.

6.3. With regard to our public:

- The Code of Conduct sets out the basic rules and principles governing the relationships of the Group and its professionals with consumers and customers.
- Relationships with our public are based on the promotion of healthy eating, offering customers and consumers a broad selection of Group health-focused products.
- Actions in this area focus on the following:
 - (i) Development of a portfolio of products designed to enhance consumers' well-being and health;



- (ii) Promotion of healthy eating habits;
 - (iii) Implementation of standards that guarantee the quality and safety of food products for our consumers and customers.
- The Group undertakes to offer high quality services and products that comply not only with the requirements and quality standards stipulated in law, but also with other more stringent standards that guarantee the highest quality.
 - We seek maximum transparency in the information we provide for customers and consumers.

6.4. With regard to our shareholders:

- Actions in this area must comply with the corporate governance laws and regulations, the Articles of Association, Regulations of the General Meeting, Regulations of the Board and Internal Code of Market Conduct.
- They must also be governed by the principles and rules established in the Code of Conduct, Dividend Policy, Policy on Rewards for Shareholder Attendance and the Policy on Communication and Relations with Shareholders, Institutional Investors and Proxy Advisors.
- Relations with our shareholders are subject to the principles of transparency, truth, permanent, adequate, timely information and the principle of non-discrimination and equal treatment of all shareholders that are in identical conditions and not affected by conflicts of competence or interest.
- We will endeavour to secure the maximum possible gain for shareholders and investors through fair, sustained means.
- As a rule, rewards will be established for the attendance of general meetings in order to encourage shareholders to participate and raise the attendance rate, in the form of a gift related with the Group's products or brands.

6.5. With regard to our environment:

- Actions in this area shall be governed by the principles and rules established in the Code of Conduct, developed through the Environmental Policy.
- Programmes shall be developed to enhance energy efficiency and water consumption.
- Actions shall be assessed and developed to reduce emissions.
- Programmes and measures shall be developed to promote the circular economy and Zero Waste.



- Other environmental sustainability programmes shall be applied in specific areas.

6.6. With regard to suppliers:

- In their relations with the Group, suppliers must comply with our Code of Conduct and with the principles, standards and business practices imposed on them in our Supplier Code of Conduct.
- Suppliers are required to act in keeping with the principles and rules in place within the Group in respect of the following aspects:
 - (i) Commercial integrity
 - (ii) Labour laws and regulations
 - (iii) Human rights
 - (iv) Child labour
 - (v) Slavery or forced labour
 - (vi) Freedom of association and collective bargaining
 - (vii) Equal opportunities and non-discrimination
 - (viii) Salaries and working hours
 - (ix) Health and safety
 - (x) Product quality and safety
 - (xi) Environment

6.7. With regard to diversity:

- Diversity is upheld as a basic principle of our Policy on the Selection of Directors and Diversity in the Composition of the Board, and the hiring of Group professionals.
- In the processes for selecting candidates for the Board of Directors, the Company shall always seek diversity of expertise, experience, age and gender.

6.8. With regard to 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 and aims to achieve responsible compliance with the tax laws in place in each jurisdiction in which it operates and achieve optimum management of this kind of risks.



- To ensure respect for the principles contemplated in the risks policy, the Group has developed a system for the control and management of tax risks, seeking correct fulfilment of its tax obligations.
- To implement the Tax Risk Control System, a number of areas of “potential tax risk” have been identified and are subject to specific monitoring: compliance, tax credits, tax inspections, tax-related lawsuits, related-party transactions, restructuring operations and investments/divestments.
- Someone appointed in each Group subsidiary is responsible for certifying and reporting to the Company’s Tax Department on adequate compliance with the control system regarding the areas identified. In turn, the head of the Group Tax Area reports regularly to the Risks Committee on the outcome of those certifications, and the Committee then reports to the Board.
- Similarly, in operations or matters to be submitted to the Board for approval, the Board shall be informed of any material tax consequences of those operations.

6.9. With regard to corruption and bribery:

- The Group’s actions in this area are governed by the principles and rules established in the Policy against Corruption And Bribery, which is applicable to all the Professionals of the Ebro Group in all the countries in which they operate, and extended to the Ebro Foods Foundation
- The Group assumes the principle of “zero tolerance” for corruption and bribery in its businesses.

6.10. With regard to the communication of information

- The Group’s actions in this area are governed by the principles and rules established in the Code of Conduct, Internal Code of Market Conduct, Corporate Governance Policy and Policy on Communication and Relations with Shareholders, Institutional Investors and Proxy Advisors.
- The Group is committed to the principle of transparent information, meaning a commitment to provide the markets with reliable information, whether financial, accounting or of any other nature.
- Relations with investors and financial analysts are channelled through the unit responsible for investor relations in Ebro Foods.
- Relations with the media are channelled through the unit responsible for communications in Ebro Foods.
- The stable information and communication channels are the National Securities Market Commission, the Company’s corporate website www.ebrofoods.es, the Shareholders’ Office and the Shareholders’ Club.



- Meetings are held periodically with investors and shareholders to inform on the development of the Company and the Group, subject to the principle of non-discrimination and equal treatment and there is fluent communication with proxy advisors who express an interest in items on the agenda established for each general meeting.

7. Specific principles and objectives of the Policy

The principles, commitments and objectives established in this Policy are: (i) the social actions and initiatives developed by the Group and the Ebro Foods Foundation every year, the objectives and purposes of which are aligned with them, and (ii) the long-term sustainability plans approved by the Board of Directors.

Medium and long-term plans and actions in these areas are prepared and presented through the Communications and Corporate Social Responsibility Department, identifying the specific goals set for the respective periods. Each of those actions and plans shall specifically establish: (i) the objectives pursued, (ii) the resources, means and actions to be developed in order to achieve them, and (iii) the criteria and landmarks to be attained during their implementation and execution, with which the degree of compliance and expected returns can be measured.

8. Oversight and monitoring of the Policy

The Company's Audit and Compliance Committee shall review this Policy, making sure it is geared to create value. The Committee shall also oversee compliance and monitor the strategy and practices of the Group in corporate social responsibility.

In particular, the Audit and Compliance Committee shall assess and report to the Board on the actions and plans on sustainability, environment and corporate social responsibility, their contents and alignment with the principles of this Policy, and shall monitor and measure achievement of the landmarks and objectives set.

Following assessment and reporting by the Audit Committee, the Board of Directors of the Company shall approve the actions and plans presented in these areas and each year it shall issue the Non-Financial Information to be included in the Management Report of the Consolidated Group, a specific report on aspects related with sustainability, environment and corporate social responsibility of the Group.

Once it has been approved by the Board, the annual report on sustainability, environment and corporate social responsibility shall be published in full on the corporate website.
