

DOUBLE MATERIALITY ASSESSMENT

Giving continuity to the earlier double materiality assessments (DMA) and in accordance with the guidelines of the CSRD, in 2024 the Ebro Group made a new DMA in collaboration with an external consultancy, following the EFRAG recommendations, based on the fundamental sustainability standards and the regulatory and disclosure requirements. In that assessment, the Ebro Group identified 47 IROs out of a total of 259 IROs assessed.

The list of material IROs is set out in the following table:

E1 Climate Change

Contribution to mitigation and adaptation of the effects of climate change through the promotion of sustainable agriculture projects in the Group's principal sourcing areas, which also act as carbon sinks.	I+	A
Generation of greenhouse gases deriving from the Group's operations throughout its value chain (carbon dioxide CO ₂ , methane CH ₄ and nitrous oxide N ₂ O), due to land-use changes, if any, in agricultural activities, and emissions by transport and production of products through the consumption of fossil fuels by fixed and mobile sources.	I-	A
Greenhouse gas emissions associated with sourcing in the Group's supply chain (emissions associated with the sourcing of rice and raw materials used in the production of pasta), and emissions produced by land-use changes, if any, in agricultural activities.	I-	A
Improvement of the Group's reputation owing to the anticipation and reduction of risks associated with climate change, thanks to the identification, management, reporting and monitoring of the principal physical and transition risks of climate change.	O	P
Minimisation of the future vulnerability of sourcing areas due to climate-related challenges and reduction of operating costs, as a result of the mitigation and adaptation to climate change. This includes enhancement of crop resilience, strengthening of agricultural ecosystems and the identification of climate-related factors through the Task Force on Climate-related Financial Disclosures (TCFD) report.	O	P
Increase in the purchase costs of raw materials due to the impact of climate change on the natural resources that supply them. Extreme climate events can affect the quality, quantity and geographical distribution of agricultural raw materials, increasing the costs associated with their acquisition and management.	R	A
Increase in costs associated with changes to emission allowances and new regulations, such as the EU Carbon Border Adjustment Mechanism. This may generate significant impacts on the Group's financial strategies, requiring adaptations and further investments to comply with the new environmental legislation.	R	A

ENERGY

Reduction of the use of non-renewable energy resources and greenhouse gas emissions as they are replaced with renewable fuels (biomass: rice husk, wood chips, wood charcoal, etc.), self-generation of photovoltaic energy and cogeneration, as well as the purchase of electricity with GOs (guarantees of origin)	I+	A
Reduction of energy consumption as a result of implementing energy saving practices (changing convention lights to LED, energy saving project, improved energy efficiency, etc).	I+	A

I+ Positive Impact I- Negative Impact O Opportunity R Risk P Potential A Actual

E2 Pollution

Reduction of impacts by pollution with substances of concern or substances of very high concern in the sourcing areas by means of quality controls and detection of fungicides and pesticides, selection of suppliers with sustainability policies and provision of free biocontrol products to guarantee a rational use of pesticides.	I+	A
Pollution of effluent through own operations of pasta and rice production.	I-	P
Increase in soil acidity and impairment of microfauna as a result of the use of (inorganic or organic) fertilizers and pesticides on the crops in the Group's sourcing areas.	I-	P

E3 Management of Water Resources

Increase in water stress due to water withdrawal in areas of water stress, both in crop-growing areas and at production plants.	I-	A
Opportunities to access public/private financing through the implementation of projects, strategies or measures to improve water quality and management (e.g. European funds).	O	P
Dependence on water resources, especially in sourcing areas and in regions with drought risks, producing operating costs and low production yields.	R	A

E4 Biodiversity

Creation of agricultural habitats with high ecological value (wetlands, habitats of protected species, etc.)	I+	P
Land degradation and loss of soil properties as a result of intensive farming practices in the suppliers' sourcing areas.	I-	P
Operating costs as a result of reduced agricultural production due to the loss of soil properties or high temperatures that diminish crop yield.	R	A

E5 Circular Economy

Waste reduction and recovery through actions developed to increase recovery (e.g. use of by-products such as rice husk, wood chips and wood charcoal) and recycling.	I+	P
Increase in consumer food safety and reduction of food waste as a result of the Group's initiatives to combat food waste (e.g. participation of Ebro Foods in the Waste Warrior Brand Community, collaboration with AECOC, campaigns and actions to raise society and employee awareness of issues, etc.).	I+	A
Greater resilience in the Group's production processes due to broad diversification of the Group's supply chain which enables it to mitigate the risks and availability of raw materials over time.	O	P

S1 Own Workforce

WORKING CONDITIONS

Greater satisfaction of workers as a result of oversight of workers' rights in the Group through the implementation of fair labour practices (e.g. adequate working times, adequate wages, control of occupational hazards). This not only strengthens the capacity of its workforce, but also contributes to social and economic stability in the communities in which it operates, promoting a fair and equal working environment that improves the well-being of the workers and their families.	I+	A
Greater access by workers to collective bargaining enabled by the Group through the existence of Works Councils that achieve improved working conditions and increase the proportion of workers covered by collective agreements, thus strengthening employment relationships. This contributes to workers' well-being and to social and economic stability in the communities in which the Group operates.	I+	A
Lack of equal pay, performance or length of service recognition or conditions of inequality deriving from a heterogeneous distribution of workforce remuneration not based on objective criteria (pay gap).	I-	P
Improvement of Group's reputation thanks to a good health and safety management system (e.g. certification under ISO 45001). The Group thus demonstrates its commitment to protecting the health and well-being of its workers. This not only reduces the possibility of occupational injuries and ill health, but also boosts the confidence of both employees and other stakeholders, such as customers, investors and local communities.	O	P

TRAINING AND SKILLS DEVELOPMENT

Difficulty in attracting talent specialised in areas such as maintenance and electromechanics, which generates a critical operating risk for Ebro and its subsidiaries, as these jobs are essential to guarantee the continuous functioning of machinery and essential equipment.	R	A
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DIVERSITY AND INCLUSION

Workers' confidence thanks to the creation of a culture of respect and safety among the Group's workers through implementation of the EU Whistleblowing Directive and the Internal Reporting System, boosting the confidence of society in the working environment and contributing to the building of safer, fairer communities.	I+	A
Increase in responsible brand value due to the implementation of policies that promote equal pay and equal opportunities based on gender, race, sexual orientation, disability, etc. in the company. This will promote the Group's position in the market as a socially responsible company committed to the inclusion of disability and diversity.	O	P

PROMOTION OF HUMAN RIGHTS

Theft, leaks or unauthorised access to private or confidential information of the company or third parties, intellectual property or financial information of the Group; and cyber attacks that also cause interruptions in the Group's commercial transactions due to its highly automated and digitalised production processes and research and development.	R	P
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S2 Workers in the Value Chain

Protection of children's rights for workers throughout the Group's value chain, strictly prohibiting child labour and forced labour as established in the Supplier Code of Conduct. This boosts social cohesion and sustainable development of the community.	I+	P
Impact on work-life balance, personal well-being and family and social relations due to lack of oversight by the Group to ensure that the working conditions stipulated in the Supplier Code of Conduct are met, especially with suppliers of wheat and rice within the supply chain. This deficient oversight could result in violations of labour rights, affecting not only the workers but also their personal and social environments.	I-	P
Improvement of Group's reputation by establishing business relationships with selection criteria to guarantee secure, stable employment with adequate wages and working times. This can in turn improve the performance of work teams in the value chain, contributing towards achieving a more productive and satisfied labour force, which has a positive impact on our operating performance.	O	P

S3 Affected Communities

Creation of labour, economic and social opportunities in the communities in which the Group has own or commercial operations, through the creation of employment in the society.	I+	A
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S4 Customers and Consumers

CUSTOMER SATISFACTION

Product supply security for customers thanks to the Group's diversification to procure raw materials in sourcing areas that can cope with raw material shortages or other sourcing problems that might be encountered by suppliers.	I+	A
Business expansion to new customers and markets, driving a growth in turnover, focusing on business lines with high potential such as microwave rice in the United States and Spain. Improvements are also being made in packaging productivity and alternative supply sources are being explored with a view to optimising operation and taking advantage of new opportunities.	O	P
Higher costs incurred in researching new consumer and/or customer needs and implementing measures to meet their requirements for improved product quality.	R	A

FOOD SAFETY AND QUALITY

Enhanced consumer safety due to rigorous health and safety standards in products and the promotion of food safety programmes.	I+	A
Increased capitalisation of internalisation processes, ensuring that the essential safety aspects are incorporated in the development of new products at the industrial plants and R&D centres. This raises safety standards, strengthens the Group's commitment to quality and guarantees regulatory compliance on a global level, promoting safe, efficient operation.	O	P
Greater requirements due to changes in the European regulation of quality and safety standards, which entail increased sustainability reporting. Breach of or failure to adapt to these regulations could result in regulatory fines and a loss of credibility and confidence among consumers and other stakeholders.	R	A

PRODUCT AND BRAND DEVELOPMENT

Loss of customers due to higher prices of end products, attributable to the fluctuations in availability and costs of the agricultural inputs, affected by climate, geopolitical and economic factors.	R	A
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GOV-1 Management of Relationships with Suppliers

Ability to support respect for human rights and social and environmental development by fostering the assessment and selection of suppliers based on social, ethical and environmental criteria.	I+	A
Positive influence on standards and practices in the food sector by joining sector-specific initiatives or collaborative platforms on sustainability and ethics-related topics (e.g.: Forética and SAI Platform).	I+	A
Increased demands of suppliers, who must strengthen sustainability-related aspects. This is due to the inclusion of new clauses in the Group's contracts in the wake of the new regulations on ESG.	I-	P
Strengthening of risk management in the Group's supply chain through the platform Countryrisk.io , prioritising due diligence with critical suppliers to mitigate identified risks.	O	P
Increase in operating costs as a result of unexpected fluctuations in input prices, quality issues in supplies that require additional corrections, or exchange rate fluctuations due to our dependence on suppliers located in different countries.	R	A
Loss of existing suppliers who fail to meet the new sustainability requirements.	R	A

Sector-Specific Innovation

Increase in costs above those initially budgeted in the implementation of the Group's research, development and innovation (R&D + innovation) projects. A shortage of financial resources can lead to slow or insufficient development of the project.	R	R
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The material IROs identified are fully aligned with the targets defined in the Group's sustainability strategy and business model, focusing on the reduction of emissions, responsible management of resources and the social and labour well-being of our people and giving priority to measures that reduce risks and manage negative impacts, both potential and real, on people and the environment, such as soil pollution, greenhouse gas emissions and labour risks in the supply chain, while at the same time strengthening the positive impacts identified, such as the improvement in energy efficiency, reduction of waste and promotion of sustainable production practices.

The material impacts are closely linked to the Group's principal activities and business relationships. Sustainability-related criteria have been established for suppliers in the supply chain, while in the production processes the Group is working on optimising resources and reducing our environmental impact. At the distribution stage, the primary goal is to guarantee supply and make sure that our products comply with the quality and safety standards and meet customers' and consumers' expectations.

The time horizons defined: (short term -up to one year-, medium term -1-3 years- and long term -more than three years-), coincide with the Group's strategic periods, enabling it to improve planning, allocate resources more efficiently and track progress more accurately.

CURRENT FINANCIAL EFFECTS OF MATERIAL RISKS AND OPPORTUNITIES

None of the material risks and opportunities identified had a material financial impact for the Group in 2025.

The phase-in provisions contemplated in ESRS 1, Appendix C was applied to the anticipated financial effects.

RESILIENCE OF THE STRATEGY AND BUSINESS MODEL TO MATERIAL IMPACTS AND RISKS

The Ebro Group is working to reinforce its sustainability strategy for managing the material impacts and risks identified, including measures to increase its ability to adapt and respond to environmental, social and regulatory challenges.

Accordingly, the Group has adopted an approach structured around three main areas:

1. Management of environmental risks and operating efficiency

- Implementation of initiatives to reduce greenhouse gas emissions, focusing on optimising energy consumption in its production processes
- Reinforcement of circular economy strategies, prioritising efficient water management, reduction of waste and re-use of materials in the value chain
- Adaptation to climate and environmental regulations, acting ahead of future regulations and ensuring that international standards are met

2. Resilience in the supply chain and business relationships

- Assessment and mitigation of risks in the supply chain, guaranteeing the traceability of raw materials and establishing sustainability criteria for strategic suppliers
- Diversification of sources of supply to minimise exposure to climate or geopolitical risks that might affect the availability of critical inputs
- Promotion of responsible business relationships, encouraging practices aligned with the Group's ESG commitments
- Integration of sustainability in the corporate strategy

3. Development of a sustainable governance framework that incorporates ESG criteria in strategic decision-making

- Investments in projects aligned with energy transition and innovation in sustainable production
- Reinforcement of the organisational sustainability culture, increasing employee awareness and providing training in responsible practices

Through these efforts, the Ebro Group improves its ability to anticipate and respond to the material impacts identified, ensuring that its business model is still competitive and sustainable in the short, medium and long term.

There were no changes in the material IROs identified in 2025 in respect of those identified in the previous year.