



05

COMMITMENT TO OUR ENVIRONMENT

COMMITMENT TO OUR ENVIRONMENT

Protection of the environment is one of the basic principles of our activities and Ebro Foods constantly implements the necessary tools, measures and means in its companies to guarantee that protection. The 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.

The Group also takes an active approach to the sustainable production and supply of its agricultural raw materials, the principal material currently under study being rice. This work is done through own initiatives and specific collaborations with stakeholders and sectoral associations.

In 2015, the Group joined the Sustainable Agriculture Initiative Platform (SAI Platform), which brings together farmers and prominent members of the international food and drink industry to foster sustainable agriculture through the creation of a common standard for a sustainable crop and tools to assess performance in respect of this standard. Within the SAI Platform, the company and other very important members of the sector have set up a specific working group on the rice crop, aiming to encourage collaboration at a precompetitive level for the application of the sustainable crop standard of the SAI Platform in rice-growing areas where the members of this group source their raw materials. The programmes developed so far cut across not only environmental aspects but also social factors*.

Ebro Foods acts in the same way in the rest of its value chain, controlling the environmental performance of its industrial suppliers through internal or external audits and collaborating with them to enhance their environmental practices whenever this is necessary.

** NB: A full description can be consulted in the section on "Management of the supply chain" in the Sustainability Report.*

ENVIRONMENTAL PERFORMANCE OF OUR INDUSTRIAL PROCESS

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

- ❖ **Greenhouse gas emissions:** mainly emissions of particles during the handling of cereals (rice and wheat) and combustion gases for the production of steam and drying of the raw materials. 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, either for cooling or as an ingredient in the finished products.
- ❖ **Waste generation and management:** the company generates minimal amounts of waste, both non-hazardous (mainly packaging of ingredients and ancillary materials) and hazardous (maintenance operations).

PRINCIPAL INDICATORS

The figures set out below correspond to 39 production centres of the different subsidiaries of the Ebro Foods Group.

Two new plants have been added this year and were not included in last year's report:

- ❖ Communay (France), owned by the Panzani Group
- ❖ Alvin (USA), owned by RiceTec, a company acquired in 2015

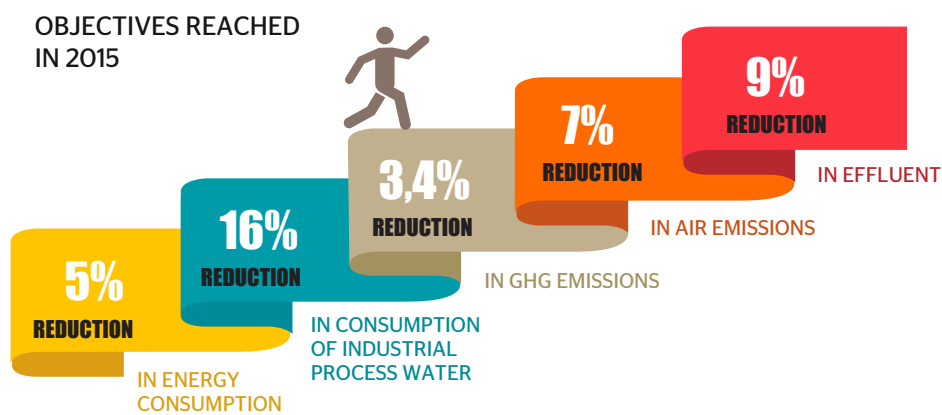
The figures set out below have been prepared according to the G4 Guidelines of the Global Reporting Initiative (GRI).

GEOGRAPHICAL LOCATION	NO. OF WORKPLACES REPORTING	SUBSIDIARIES
Europe	25	
Spain	7	Herba Ricemills
Portugal	1	Arrozeiras Mundiarroz
UK	3	S&B Herba Foods
Italy	2	Mundi Riso / Garofalo
France	9	Panzani Group
Belgium	2	Boost Nutrition
Netherlands	1	Lassie
North America	10	
USA/Canada	10	Riviana (5) American Rice (1) NWP (4)
África	2	
Morocco	1	Mundi Riz
Egypt	1	Herba Egypt
Asia	2	
Thailand	1	Herba Bangkok
India	1	Ebro India
Total	39	

During the year, within our commitment to protect the environment, the Group companies put several initiatives into practice to optimise their energy, water and raw materials consumption and to reduce their emissions and impacts. Some of the most important initiatives are described below:

1. In 2015, Herba Ricemills started calculating the ecological footprint of two of its products on the market in Spain, following the Life Cycle Assessment (LCA) methodology. With this pilot initiative it will be possible to define the different environmental impacts of our products and the extent of those impacts, in order to establish strategies to mitigate them.
2. After several years' research, Herba Ricemills has improved its rice parboiling process at its Seville plant, achieving a substantial reduction in water and energy consumption and almost entirely eliminating the waste water produced in the process.
3. Garofalo, through its "Green Box" project, has changed 89% of the secondary packaging of its finished products, initially made of virgin fibre cardboard, for recycled cardboard.

This initiative has significantly reduced the subsidiary's indirect environmental impact. More specifically, the 1,789 tonnes used in 2015 consumed 60,638 GJ less energy, 65,782 m³ less water and 191 tonnes less GHG emissions.



MATERIALS

EN1

Raw Materials

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

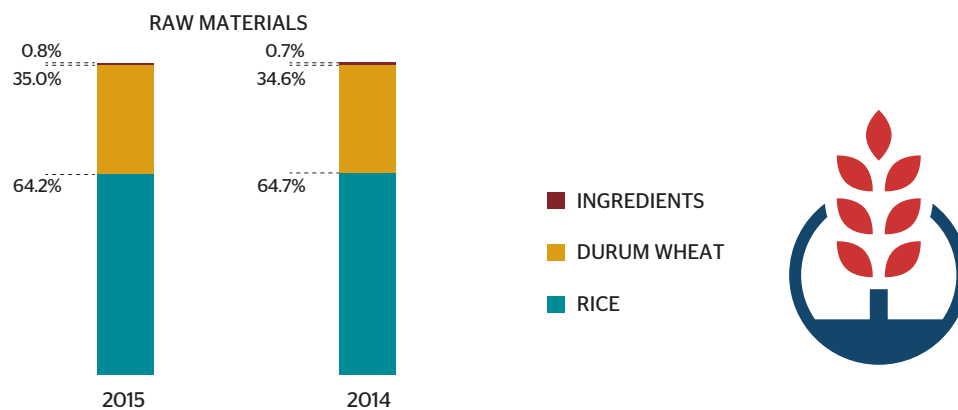
The raw materials used in finished goods are:

- ❖ Agricultural: rice and wheat
- ❖ Processed: ingredients (pre-cooked food)

RAW MATERIALS FOR PRODUCT (T)	2015	2014
Rice	1,716,588	1,673,087
Durum wheat	934,010 ^(*)	893,470 ^(*)
Ingredients	21,160	18,271
Total	2,671,757	2,584,848

(*) Including wheat flour used by Garofalo.

Apart from these three major categories, the Spanish subsidiary Herba Ricemills also uses relatively small quantities of pastas and cereals, mainly to prepare pre-cooked food, with a consumption of 879 t and 655 t, respectively, in 2014 and 2015.



The packing and packaging materials used for the finished goods are mainly paper, cardboard and plastic.

INPUT MATERIALS FOR PACKAGING (T)	2015	2014
Paper	16,603	13,574
Cardboard	30,432	31,977
Plastic	9,683	8,495
Others	1,792	906
Total	58,509	54,952

EN2

Recycled packaging materials

The recycled input materials for packaging set out below are still partial. We do not yet have reliable consolidated details, but in addition to those of our North American companies reported last year, we now also have those of some European subsidiaries.

RECYCLED INPUT MATERIALS IN PACKAGING (T)	2015	2014
Paper	5,877	11,398
Cardboard	8,873	12,475
Plastic	126	964
Total	14,876	24,836



ENERGY

EN3

Energy consumption

The total energy consumption for the Group is shown below:

Direct consumption

CONSUMPTION NON-RENEWABLE ENERGY SOURCES (GJ)	2015	2014
Natural gas	2,178,262	2,374,675*
Others	43,952	38,930*
Total	2,222,214	2,413,605

CONSUMPTION RENEWABLE ENERGY SOURCES (GJ)	2015	2014
Biomass **	139,705	96,316
Total	139,705	96,316
Total direct consumption	2,361,919	2,509,921*

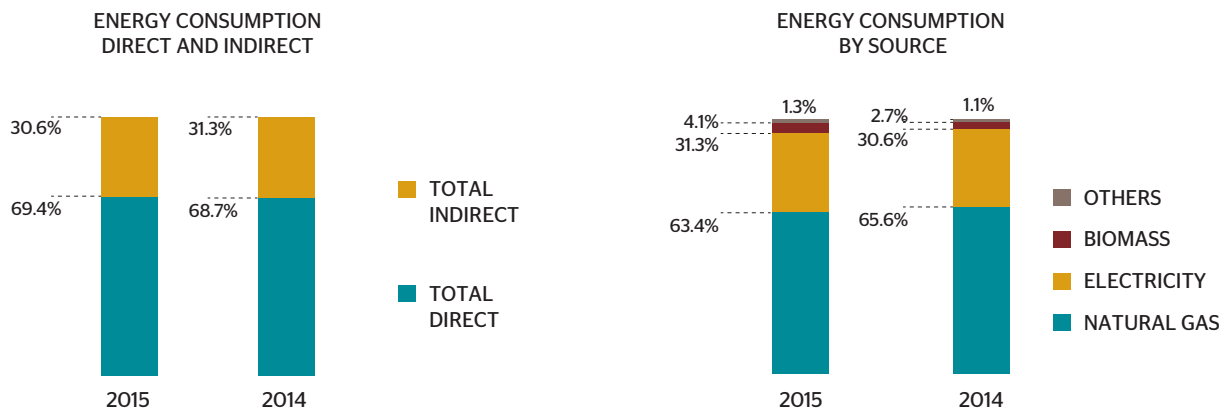
(*) Corrected data.

(**) Exclusively rice husk, a by-product of our industrial processes.

Indirect consumption

INTERMEDIATE ENERGY ACQUIRED AND CONSUMED (GJ)	2015	2014
Electricity	1,074,725	1,107,949*
Total indirect consumption	1,074,725	1,107,949
Total energy consumption (GJ)	3,436,644	3,617,870(*)*

(*) Corrected data.

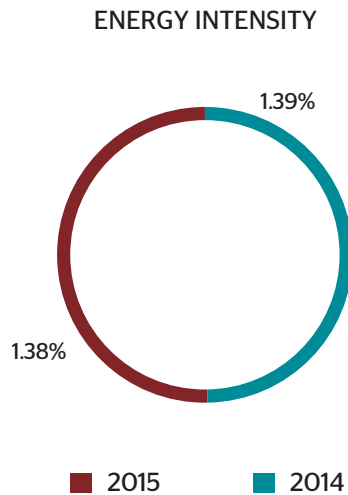


EN5

Energy intensity

	2015	2014
Total produced (t)	2,498,189	2,601,216(*)
Total energy consumed (GJ)	3,436,644	3,617,870(*)
Energy intensity (GJ/t product)	1,38	1,39*

(*) Recalculated according to the corrections made in EN3



EN6

Reduction of energy consumption

Four subsidiaries have reported initiatives to reduce energy consumption, by a total of €348,148.

	INITIATIVE	COST	REDUCTION
	Installation of low-consumption light bulbs	€148,800	
Herba Ricemills	Heat exchangers New parboiling process	€15,563	0.31 GJ/t
Panzani	Heat insulation vapour circuit / new pasteurisation scales / energy use (compressors) / new air-conditioning system	€114,000	
Boost	Enhanced milling process	€12,245	0.014 GJ/t
Mundi Riso	Installation photovoltaic generator	€57,540	0.0023 GJ/t
Total		€348,148	

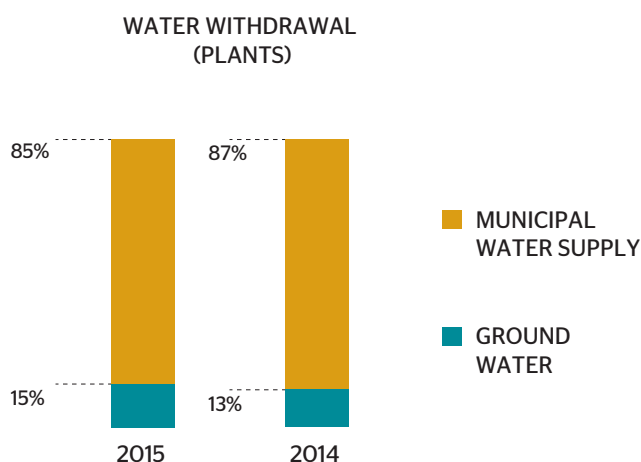
WATER CONSUMPTION

EN8

Total water withdrawal

TOTAL VOLUME OF WATER WITHDRAWN (M ³)	2015	2014
Municipal water supplies or other water utilities	1,835,550	2,239,809
Ground water	320,479	331,764
Total processes	2,156,029	2,571,573
Surface water ¹	18,553,800	17,340,000
Total water withdrawn	20,709,829	19,911,573

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



The new parboiling process introduced by Herba Ricemills, mentioned in indicator EN6, also generates a saving in water of 1.48 m³/t, bringing the total volume saved in 2014 and 2015 to 21,134m³.

EN10

Water recycled and reused

TOTAL VOLUME OF WATER RECYCLED AND REUSED (M ³)	2015	2014
Water recycled	106,219	85,229
Water reused	28,113	35,888
Total	134,332	121,117

BIODIVERSITY

As established in the different strategies, plans and national action registers for biodiversity in the different geographical areas in which our subsidiaries are situated, none of the Group companies has any operational site owned, leased, managed in, or adjacent to, protected areas or areas of high biodiversity value outside protected areas.



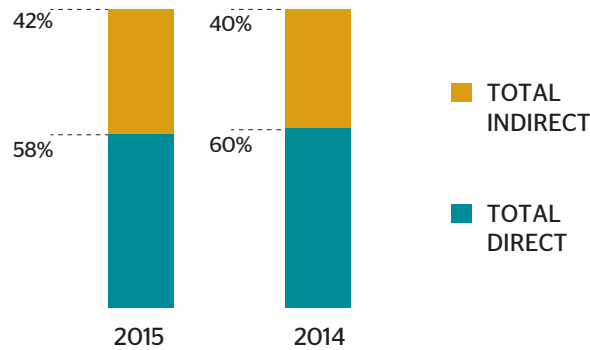
EMISSIONS

EN15 y EN16

Direct and indirect greenhouse gas (GHG) emissions (Scope 1 and 2)

GHG EMISSIONS (T. CO ₂ -EQ)	2015	2014
Direct emissions (Scope 1)	139,450	150,013
Indirect emissions (Scope 2)	102,216	100,014
Total emissions (T. CO ₂ -eq)	241,666	250,027

GHG EMISSIONS



EN17

Other indirect GHG emissions (Scope 3)

The "Climate-Smart Agriculture" project (described in the chapter on Management of the Supply Chain) is an example of the Group's commitment to reducing one of its greatest sources of indirect GHG emissions (Scope 3), direct methane emissions produced naturally in the rice fields.

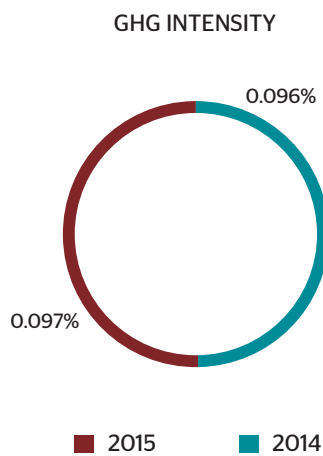
In the same sense, the Life Cycle Analysis described in this report will provide us with a way of calculating scope 3 GHG emissions, which we will apply to the different products in our portfolio in Spain.

The Group's rice division has started calculating the carbon footprint of the shipping of its raw materials, for which it has contracted its main service provider, EccoFreight. 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. During 2015, EccoFreight handled 78% of the shipments of the rice division, with a total of 170,000 tonnes shipped (7,809 TEUS), producing GHG emissions of 20,580 tonnes of CO₂ eq.

EN18

GHG emissions intensity

	2015	2014
Total produced (t)	2,498,189	2,601,216
Total GHG emissions (t CO ₂ -eq)	241,666	250,027
GHG emissions intensity (t CO ₂ -eq /t product)	0.097	0.096



EN20

Emissions of ozone-depleting substances

No ozone-depleting substances have been generated.

EN21.

NOx, SOx and other significant air emissions

AIR EMISSIONS (T)	2015	2014
NOx	244	263
SOx	10	11
VOC	5	5
Particulate matter (PM)	20	21
Total emissions (t)	279	300

Only the natural gas combustion (principal source) has been considered at our plants to calculate the NO_x, SO_x and VOC emissions.

The emissions of particulate matter reported are those produced in the handling of agricultural raw materials at our plants. These data are merely approximate since only six of our plants obtained a reliable figure. We are still working towards obtaining complete, consistent information on this point.

EFFLUENT AND WASTE

EN22

Water discharge

WATER DISCHARGED (M ³)	2015	2014
Process water and sewage	1,557,194	1,707,394
Total effluent	1,557,194	1,707,394

DESTINATION OF WATER DISCHARGE (M ³)	2015	2014
Sewerage system or treatment facility	1,511,900	1,632,257
Surface water	45,294	75,137

With the new parboiling process introduced by Herba Ricemills, mentioned in indicators EN6 and EN8, the company has reduced its water discharge by 1.44 m³/t. The total volume reduced between 2014 and 2015 was 20,608 m³.

EN23

Waste generation

WASTE (T)	2015	2014
Hazardous	31	47
Non-hazardous	17,752	13,794
Total waste	17,783	13,841

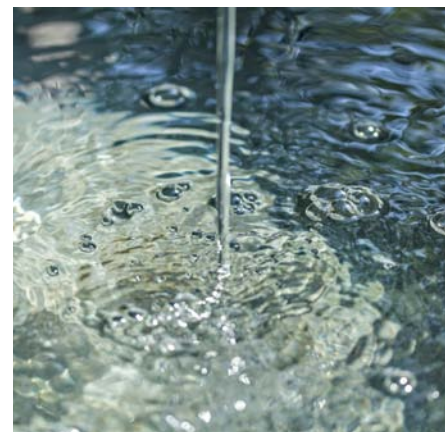
All the hazardous waste is transferred to authorised waste disposal contractors for treatment according to the laws in place in each geographical area.

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

EN24

Significant spills

No spills occurred in 2015.



COMPLIANCE / EXPENDITURE AND INVESTMENT

Compliance with laws and regulations

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

Environmental certification and management systems

Apart from the three production facilities of the French subsidiary Panzani reported in earlier years, the Garofalo plant (new acquisition) also has an environmental management system certified under the standard UNE-EN-ISO 14001.

COMPANY	COUNTRY	NAME OF WORKPLACE	CERTIFIED
Panzani	France	Semolina Gennevilliers	ISO 14001
Panzanil	France	Semolina Marseille Littoral	ISO 14001
Panzanil	France	Semolina Marseille St. Just	ISO 14001
Pastificio Lucio Garofalo	Italy	Gragnano	ISO 14001

EN29

Non-compliance, fines and sanctions

There has been no non-compliance with laws or regulations and no fines or sanctions.

EN31

Environmental protection expenditures and investment

	2015	2014
Expenditure in management and control	598,798 €	269,411 €
Investment to minimise environmental impact	942,927 €	1,498,480 €
Total	1.541.725 €	1.767.891 €

The investments reported here include those mentioned in EN6 and EN10 for the reduction or optimisation of energy and water consumption, which are also considered environmental investments.



New plant Communay (France)