

DEFINITION OF THE MODEL

STRATEGY

VALUE CREATION: R&D + INNOVATION



## Definition of the model

The Ebro Foods Group is the leading Spanish food group. It is firmly established through its subsidiaries in the rice and pasta markets in Europe and North America and has a growing presence in other countries.

The Group decentralises certain management areas of each business, focusing on the business with a light, dynamic structure in which functionality, coherence and knowledge of the market prevail over individuals.

The Ebro Foods Group is managed by business segments, grouped by the type of activity they perform and their geographical location. Our two core businesses are:

**Rice Business:** This includes the production and distribution of rice, rice-based products and complementary food products. It engages in industrial and branding activities under a multi-brand model. Its presence spans Europe, the Mediterranean Basin, India and Thailand with the Herba Group companies and covers North America, Central America, the Caribbean and the Middle East through the Riviana Group and its subsidiary American Rice (ARI).

**Pasta Business:** This includes the production and marketing of fresh and dry pasta, sauces, semolina, semolina-based products and complementary food products by the New World Pasta Group in North America, the Panzani Group and Garofalo (rest of the world).

**Healthy Food and Organic Business:** Recently included in the Group, this business is being developed around the latest acquisitions made by the company in the organic segment, specifically Celnat and Vegetalia, and the health-related activities and organic products of all the subsidiaries. This new business area is organised under new company called Alimentation Santé and presented under the umbrella of the pasta business.

Decision-making is controlled by the Board of Directors, which is ultimately responsible for defining the Group's general strategy and management guidelines. The Board delegates certain tasks to the Executive Committee, including monitoring and oversight of compliance with the strategic and corporate development guidelines, while the Management Committee, on which the heads of the principal business areas are represented, is tasked with monitoring and preparing the decisions made at management level.

The basic raw materials used to manufacture the products marketed by the Group are rice and durum wheat, although other grains, such as quinoa and other ancient grains, are gradually being incorporated.

Rice is the world's most consumed grain, although the volume of world trade is smaller than that of other grains and cereals owing to the production shortfalls in some of the largest producers (China, the Philippines and Indonesia). The origins of the rice marketed by Ebro vary according to the type of grain and the quality/abundance of harvests. There are three major sources of supply for different rice varieties: USA, southern Europe and South East Asia.

Pasta is produced from a variety of wheat with a high protein content, called durum wheat, which has a much smaller geographical distribution and market than other varieties used mainly for flour production. Ebro sources its rice mainly in north USA and Canada and in southern Europe (France, Spain and Italy).

Purchases are made from farmers, cooperatives and milling companies. They provide the basic raw material, which is then milled and/or processed at the Ebro Group’s production plants. Processes differ depending on the ultimate use of the product, ranging from cleaning, milling, polishing and basic extrusion to complex processes of pre-cooking, cooking and freezing.

## Membership of sector associations and institutions

Ebro Foods, S.A. and some of its subsidiaries belong to the following sector associations:

COMPANY	ASSOCIATION	GEOGRAPHICAL AREA
Herba Ricemills, S.L.U.	Federation of European Rice Mills Federación de Molineros Europeos de Arroz (FERM)	Europe
Herba Ricemills, S.L.U.	Spanish Association of Commercial Coding Asociación Española de Codificación Comercial (AECOC)	Spain
Herba Ricemills, S.L.U.	Confederation of Entrepreneurs in Andalusia Confederación de Empresarios de Andalucía (CEA)	Spain
Ebro Foods, S.A.	Multi-sector Association of Food & Drink Enterprises Asociación Multisectorial de Empresas de Alimentación y Bebidas (AME)	Spain
Herba Ricemills, S.L.U.	Spanish Advertisers Association Asociación Española de Anunciantes	Spain
Herba Ricemills, S.L.U.	Association of Spanish Rice Industries Asociación de Industrias Arroceras Españolas (UNIADE)	Spain
Arrozeiras Mundiarroz, S.A.	Portuguese Distributors Association Associação Portuguesa de Empresas de Distribuição	Portugal
Boost Nutrition, C.V.	Federation of Food Companies (FEVIA)	UK
S&B Herba Foods, Ltd.	British Edible Pulse Association (BEPA)	UK
S&B Herba Foods, Ltd.	Campden BRI	UK
S&B Herba Foods, Ltd.	Dried Fruit Trade Association	UK
S&B Herba Foods, Ltd.	Food & Drink Federation	UK
S&B Herba Foods, Ltd.	Rice Association	UK
Ebro India, Privated Ltd.	Rice Association	India
Lassie, B.V.	Association Ricemillers VRN	Netherlands
Mundi Riso, S.R.L.	Italian Rice Miller Association (AIRI)	Italy
New World Pasta	National Pasta Association	USA
Riviana Foods Inc.	U.S. Rice Federation	USA