



Value creation model

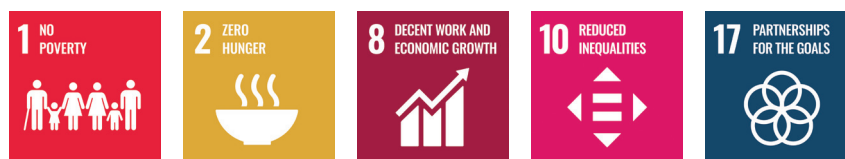
SOCIAL CASH FLOW

TAX INFORMATION

COMMITMENT TO THE DEVELOPMENT OF LOCAL COMMUNITIES

Ebro Foods, S.A.

VALUE CREATION MODEL



The Ebro Group makes a significant contribution to the social and economic development of the communities in which it operates. Its business activities generate wealth through the creation of jobs, payment of salaries, tax contribution, purchase of goods and services from suppliers, distribution of dividends, implementation of welfare programmes, development of environmental initiatives, commitment to the value chain and investment in R&D and innovation.

Social cash flow

(000€)	2020	2019
Economic value generated		
Net turnover	2,897,589	2,510,381
Other income	32,811	12,302
Interest income	41,977	24,692
Share of profits of associates	5,448	5,243
	2,977,825	2,552,618
Economic value distributed		
Consumption & other external expenses	(1,626,299)	(1,370,397)
Employee benefits	(386,861)	(347,208)
Other operating expenses	(556,669)	(511,177)
Interest expense	(60,249)	(39,711)
Corporate income tax	(53,853)	(59,383)
Net income from discontinued operations	65,809	31,989
Contribution to not-for-profit entities	(5,746)	2,734
Dividends (*)	(397,375)	(98,588)
	(3,021,243)	(2,397,209)
ECONOMIC VALUE RETAINED	(43,418)	155,409

(*) Dividends paid in the corresponding year

Tax information

With a view to guaranteeing responsible compliance with the tax laws in place in the jurisdictions in which it operates, the Ebro Group has developed several procedures to secure transparent, honest tax management and payment of taxes.

The Ebro Group does not use opaque structures consisting of interposing base companies in low-tax or non-tax countries and/or territories not cooperating with the tax authorities. Nor does it engage in any business in any of the jurisdictions listed as tax havens in Supplementary Provision 1 of the Spanish Tax Fraud Prevention Measures Act 36/2006, as amended by Final Provision 2 of Act 26/2014 of 27 November.

In 2020, the Ebro Group directly paid EUR 81.6 million to the tax authorities in the different countries in which it operates. This was more than the tax paid in the previous year, mainly due to the increase in taxable income throughout the Group as a result of the significant increase in sales and the incorporation of Tilda.

BREAKDOWN OF TAX PAYMENTS (000€)

	2020	2019
Income tax paid	71,463	53,506

TAXES PAID BY COUNTRY

	2020		2019	
	NET IT	OTHER TAXES	NET IT	OTHER TAXES
Spain	2,716	438	2,734	445
Rest Europe	32,517	6,352	21,431	6,003
America	35,172	3,428	28,550	3,939
Asia	419	0	219	0
Africa	639	0	572	0
TOTAL	71,463	10,218	53,506	10,387

MOST SIGNIFICANT COUNTRIES	IT	OTHER TAXES	IT	OTHER TAXES
Spain	2,716	438	2,734	445
France	17,041	6,202	12,629	5,853
Italy	6,172	150	4,164	150
USA	31,812	2,946	26,502	3,371
UK	5,650	0	2,651	0

PRE-TAX PROFIT, BY COUNTRIES (000€)

	2020	2019
	PRE-TAX PROFIT*	PRE-TAX PROFIT*
Spain	13,221	(801)
Rest Europe	144,703	91,333
America	133,011	106,682
Asia	6,281	2,133
Africa	1,244	(869)
TOTAL	298,460	198,478

MOST SIGNIFICANT COUNTRIES	2020	2019
	PRE-TAX PROFIT*	PRE-TAX PROFIT*
Spain	13,221	(801)
France	50,071	46,943
Italy	43,826	20,321
USA	156,416	103,891

* Pre-tax profit in continuing operations

PUBLIC GRANTS RECEIVED (000€)

	2020	2019
Capital grants received	5,059	6,375
Operating grants received	456	427

Commitment to the development of local communities

One of the main pillars of Corporate Social Responsibility and Sustainability action within the Ebro Group is ensuring the well-being and socio-economic development of the local communities directly related with our business activities.

During 2020 that commitment was taken further and the Group has made an extra effort to promote different initiatives to help combat the effects of COVID-19 throughout the world. These aids focused mainly on food and healthcare assistance programmes for vulnerable groups.

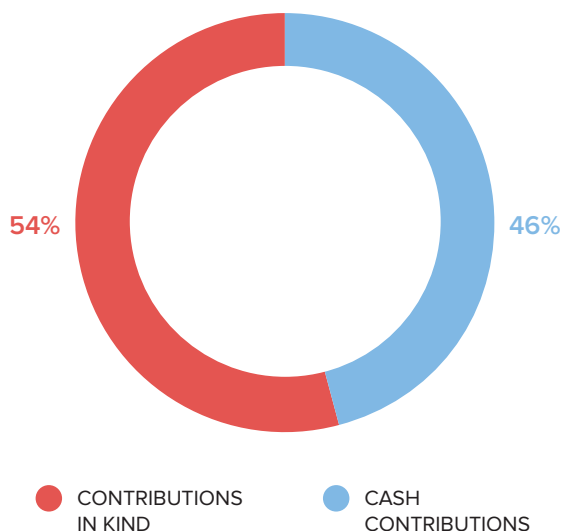
In the specific case of Spain, on 30 March the company announced extraordinary funding of one million euros to buy critical medical equipment for different hospitals in the region of Madrid, develop solidarity actions together with other entities and welfare organisations and donate food to welfare organisations, resident associations, soup kitchens, etc. The Group's principal companies have also participated in work of this nature in their respective countries.

Apart from the extraordinary COVID-related social action, the Ebro Foundation and the Group have, as in previous years, participated in projects created by different not-for-profit organisations and promoted and developed motu proprio several initiatives of social and environmental interest.

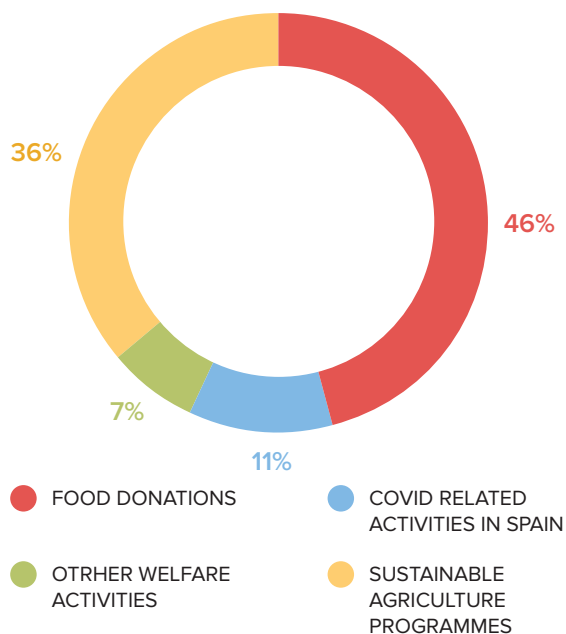
Within this context, the global amount spent on social action during 2020 was EUR 9 million.

TYPES OF ACTIONS	AMOUNT (EUR)
Food donations	4,143,363
COVID-related activities in Spain	1,005,714
Other welfare activities	596,543
Sustainable Agriculture Programmes	3,252,966
TOTAL	8,998,586

TIPES OF SOCIAL AND ENVIRONMENTAL CONTRIBUTIONS



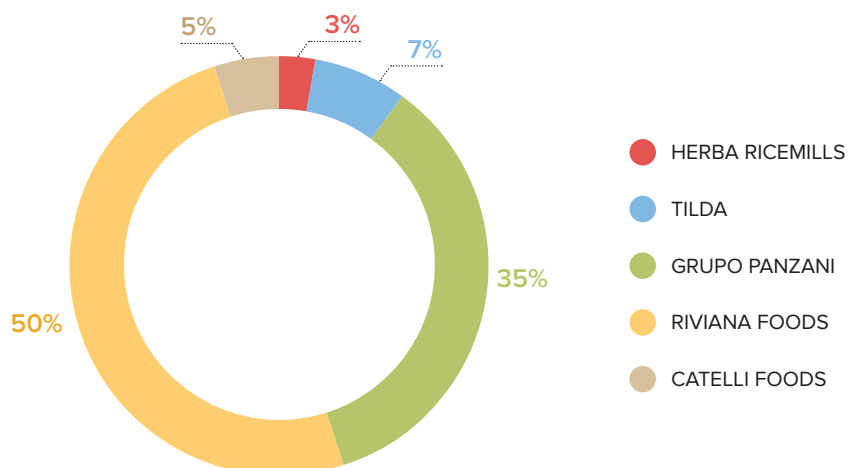
% SOCIAL AND ENVIRONMENTAL ACTIONS



DETAILS OF FOOD DONATIONS

As a leading food producer, in 2020 and in view of the pandemic, Group companies in Spain, France, UK, USA and Canada doubled their donations in respect of the previous year, totalling EUR 4.1 million, i.e. more than 2.5 million kg of food was donated.

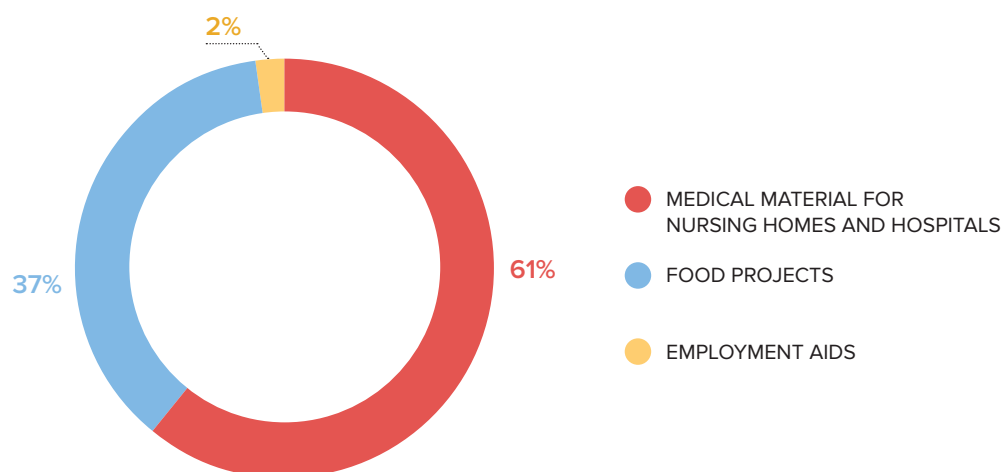
COMPANIES	AMOUNT (EUR)
Herba Ricemills	134,918
Tilda	274,203
Grupo Panzani	1,441,266
Riviana Foods	2,088,112
Catelli Foods	204,864
TOTAL	4,143,363



DETAILS OF COVID-RELATED ACTIONS IN SPAIN

The total amount spent on developing actions to combat the effects of the coronavirus in Spain was EUR 1,005,713, distributed as follows:

	NUMBER
Beneficiaries	204,500
Projects	177
Entities	109



In healthcare, actions focused on purchasing material and equipment for different hospitals, including the Jiménez Díaz Foundation, the San Carlos Hospital and La Paz Teaching Hospital in Madrid, La Fe Teaching Hospital in Valencia, etc., as well as nursing homes for the elderly.

As regards food aid, more than 147 tonnes of food has been donated to different associations for subsequent distribution among people at risk of exclusion.

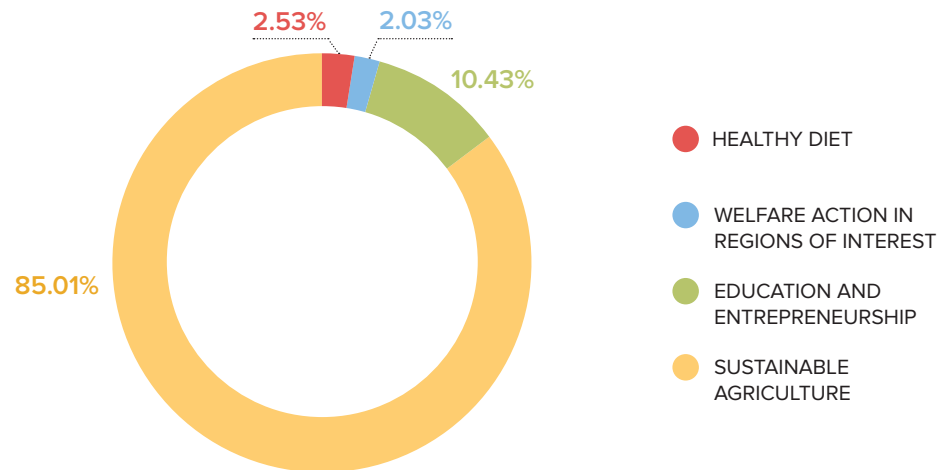
NB: *The full details of all these actions are set out in Annex 2 to this Report*

OTHER SOCIAL AND ENVIRONMENTAL INITIATIVES

Apart from the actions developed in connection with the pandemic and in their determination to contribute to sustainable development of the communities in which we operate, the Ebro Group and the Foundation have continued working to set up social and environmental initiatives in the following areas:

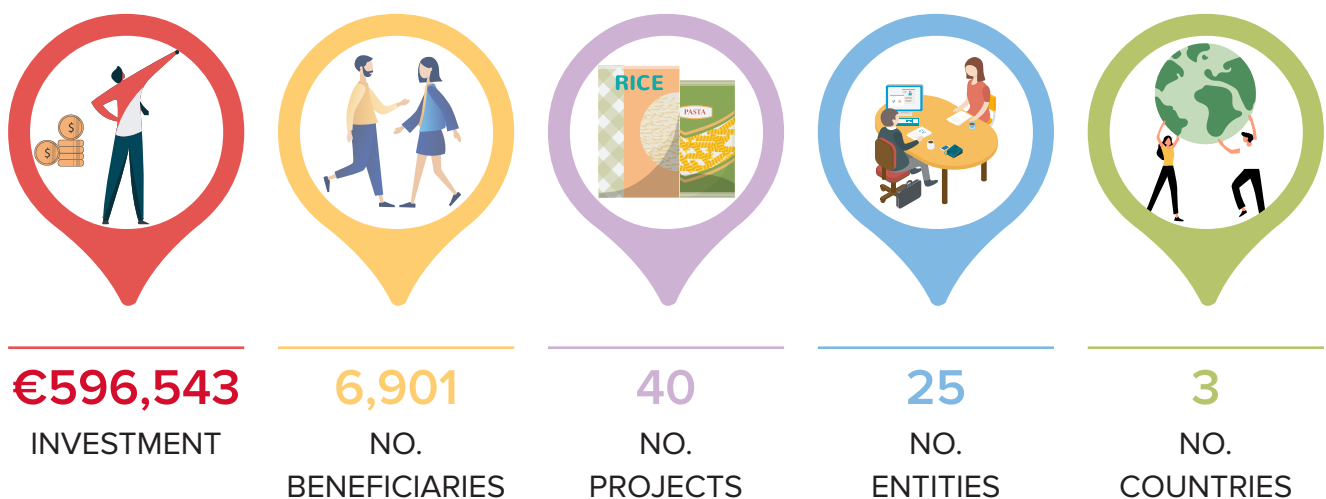
- Food and nutrition
- Education and employment
- Sustainable agriculture and other environmental initiatives
- Social welfare in regions of interest

DETAILS OF SOCIAL AND ENVIRONMENTAL INITIATIVES



A very large proportion of these actions are carried out by the Ebro Foundation.

Breakdown of these actions in 2020



1. Welfare programmes in food, nutrition and health

Participation in programmes that combine food and health, food and social development, and food and environmental sustainability.

The global investment made in this area in 2020 was EUR 97,246.

The projects in this area included:

- Financing of 6 grants for school meals at the Corpus Christi school. This aid was granted through the **Victoria Díez Education Foundation**, which helps meet the basic needs of children whose families have no income. The school year 2019-2020 began with a record number of applications for grants (63% of the pupils at the school) and enormous difficulties were encountered to meet the needs of all the families.

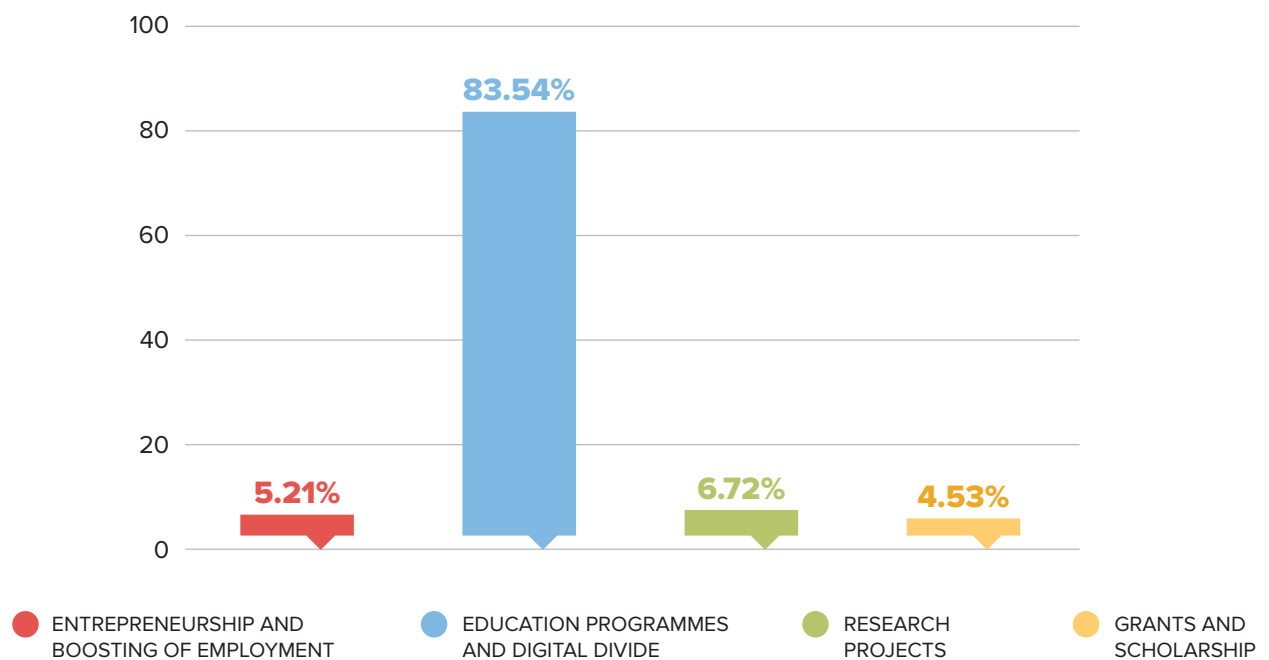
→ In collaboration with the **Alalá Foundation**, we continued in 2020 with the Ebro-Alalá “Welfare School” Project in the Three Thousand Homes district in Seville. The aim is to foster action plans to improve eating habits and encourage physical activity among children, especially among those suffering obesity, and to promote universal values, awareness and social responsibility from the grass roots level.

The programme spans across all **Fundación Alalá**, especially in its sports school, which focuses on offering quality sports education, improving the future prospects of children, young people and their families who are at risk of social exclusion through healthy habits and sport.

2. Education, entrepreneurship and employment

In this working area, which traditionally comprises support for education through scholarships, research projects, educational programmes, entrepreneurship and job promotion initiatives, this year the Group and the Foundation have focused especially on a significant problem that has come to light during the pandemic, namely the digital gap. Accordingly, actions have been developed in Madrid and Andalusia consisting of the donation of 1,000 laptops in each of these regions (the budget allocation of this donation has been distributed over 2020 and 2021).

The total investment in this area of action during 2020 was EUR 401,515.



The main actions in this area were:

GRANTS AND SCHOLARSHIPS

Madrid

- **Javeriana Vocational School:** Financing of three Erasmus grants for students of the Advanced Vocational Course in International Trade who are on low incomes.
- **Carlos III University Foundation:** Financing of a dual-degree Alumni Scholarship for young students with good academic achievements and limited financial resources from other regions of Spain, to enable them to study at the Carlos III University in Madrid.

India

- Financial allocation to reward female students with the best 10th-grade academic achievements in the State of Haryana. This initiative aims to promote equal rights and equal opportunities between genders in this country.
- Financial support for students with limited financial resources to do a training programme in maintenance at our Taraori factory.

RESEARCH

Barcelona

- **Fero Foundation:** Financial contribution for a cancer research grant. The XIX Fero Grant was awarded to two projects. One project is working on the development of therapies to reverse the activity of the protein SHP2. This protein is encoded by the PTPN11 gene, in which the genetic disorder occurs that is most common in juvenile myelomonocytic leukaemia (JMML), a form of leukaemia (blood cancer) found mainly in children under two years old. The other project aims to consolidate the data obtained on the efficacy of bacT cells (bacteria trained lymphocytes) used as a novel immunotherapy to combat tumours, focusing specifically on breast cancer.

Seville

- **cicCartuja-Ebro Foods Research Award:** The cicCartuja–Ebro Foods awards are granted for work done by young researchers, aged under 31, who published the findings of their work in high-impact international journals in the areas of Chemistry, Biology and Material Science during 2020. Through this initiative, the company and the public are informed of the scientific work done by young talent from the Scientific Research Centre Isla De La Cartuja Cic (cicCartuja), stressing the social nature of science, conceived by and for citizens.

In this edition, the Award was funded in a sum of EUR 20,000: EUR 10,000 for the winner and EUR 5,000 each for the two runners-up.

EDUCATION PROGRAMMES

Seville

- **Balia Foundation:** We renewed for a further year our commitment to the project being implemented in Seville to stimulate the social and educational development of children and adolescents in situations of poverty. This project seeks to boost the talent and abilities of children and adolescents at risk of exclusion through education in values, so that they have a chance to become integrated adults and contribute to the economic and social benefit of the community. It is run in the Tres Barrios-Amate district of Seville. Thanks to this initiative, minors aged 6-17 were able to participate in the following activities in 2020:
 - Balia classes: 126
 - Summer camps: 15

- Guidance for expelled students: 54
- Youth Territory: 44
- School Support Programme: 55

Despite the nature of the project, Balia kept its activities going during the COVID-19 lockdown. The aim was to prevent students from dropping out of school and, as far as possible, stop them from severing their links with the school.

Isla Mayor - Seville

- Contribution made by the Ebro Foundation to the infant and primary school **CEIP Félix Hernández** to support the education of children with special needs.

Benifaió - Valencia

- **Benifaió Town Council:** Once again, building on the bond between La Fallera and Benifaió, the Ebro Foundation supported the town council with a donation to start up its **Municipal Juvenile Tutoring and Recreational Programme**.

School support, or tutoring, is one of the most important activities within the school absenteeism programme. It is aimed at all minors in primary education in Benifaió and their families, but especially at those who, for various reasons (belonging to ethnic minorities, recently arrived immigrants), have few resources and social skills, come from destructured families with few or no healthy habits, unemployed or with temporary jobs and a low level of education and training.

The Social Services Department, in coordination with schools, detect any minors and families that are at risk or already in this situation.

Madrid

- Once again, the Ebro Foundation has collaborated with the **Aula Laboral Project** for persons with disability from the **Capacis Foundation**. Thanks to this programme, many young people with borderline intelligence have found their first job.

The methodology used with the pupils in the 'Aula Laboral' (vocational class) is that of **Rincones Abiertos** (open corners). Students must take a leading role in their own education and training. They must acquire knowledge and skills through experience and always in direct contact with their everyday lives, working on creativity, collaboration and cooperation through the implementation of joint projects.

Regional governments of Andalusia and Madrid

- **Programme to combat the digital divide:** Donation of 2,000 laptops designed to mitigate the digital divide in children and teenagers and foster social inclusion and equal opportunities in both regions.

Following a first donation of one thousand laptops to the regional government of Andalusia for underprivileged pupils, the same number of laptops was provided in Madrid for an integral project promoted by **Asociación Madrid Futuro** with a view to eliminating the digital divide among pupils in the capital of Spain. This project will initially cover the 6 districts in which the digital divide is most conspicuous: Usera, Villaverde, Vicálvaro, Vallecas, Latina and Carabanchel.

JOB PROMOTION AND ENTREPRENEURSHIP INITIATIVES

Seville

→ **Ebro Talent Caring for Innovation:** Open innovation programme promoted with the **Loyola University in Seville** to detect innovative projects and ideas in the food sector and encourage the development of sustainable solutions that can be applied to the value chain of the Spanish food sector.

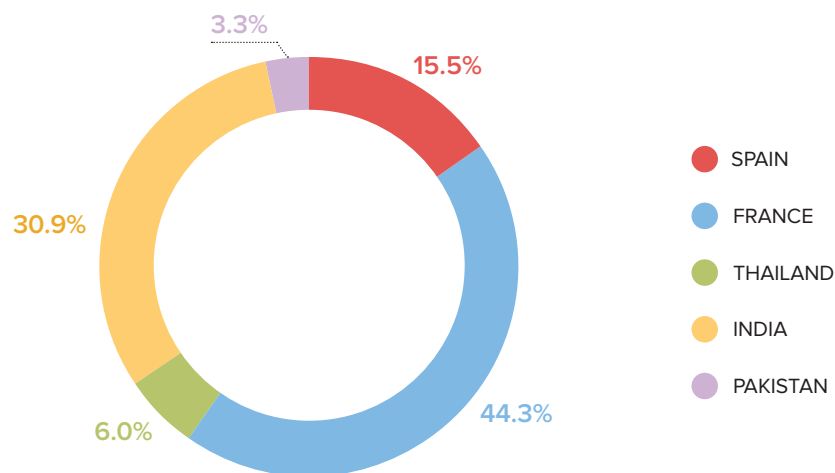
Ebro Talent is structured around four major challenges: Responsible Production and Efficiency, Environment and Sustainability, Healthy Food and Food Quality, and New Models and Responsible Consumption in a post-Covid19 scenario.

The programme will end in the second half of 2021.

3. Sustainable agriculture and other environmental programmes

The Ebro Group and its Foundation invested EUR 3.3 million in sustainable agriculture and other environmental initiatives in 2020.

The distribution of sustainable agriculture programmes is shown in the following graph:



NB: Information on all our sustainable agriculture projects is set out in the chapter “Commitment to the Environment” in this Report.

As far as other social and environmental actions are concerned and within our participation in the Waste Warrior Brands platform Too Good To Go, during 2020 the Group promoted a campaign against food waste at Christmas, called S Day. (“El Día S”).

This action consisted of declaring 26 December “S Day” (#ElDíaEse), a day for converting Christmas leftovers into new dishes, thus making Christmas more sustainable and waste-free.

To encourage consumers to participate in this action and declare their own "S Day", the website www.eldiaese.es was set up, providing numerous recipes and ideas for using leftovers with rice and other ingredients.

4. Welfare action in regions of interest

Contributing towards the socio-economic development of the communities in which the Group operates is another important goal within Ebro's commitment to society. Therefore, the Foundation endeavours especially to support projects that are designed to improve the quality of life and equal opportunities of groups at risk of social exclusion who live near its plants.

This welfare action is implemented mainly through the financing of projects organised by local entities, which have a first-hand knowledge of the needs of each area and use all their resources to start up those initiatives.

During 2020, the Foundation allocated EUR 78,173 to supporting different entities in Seville, Madrid, Valencia, India and Morocco. The main actions are described below:

SEVILLE

- **ANDEX (Association of Parents of Children with Cancer in Andalusia):** Donation to the "VI Acoso y Derribo Rodeo", a fundraising activity for the children's cancer Day Centre on the Zero Floor of the Virgen del Rocío Hospital.
- **Cáritas Parroquial de San Jose de la Rinconada:** Economic aid to meet the cost of food, rent, medicines, electricity, water, etc. of the most deprived people in the town. Workshops have also been run to provide support in education, values, self-esteem and employment. Some 90 families benefited from this action..
- **Asperger's Association in Seville:** Financial contribution to the project Self-Help Workshop for Women with Autism Spectrum Disorder (ASD). This project was set up with the aim of creating an integral support service for women with the following specific goals:
 - Set up self-help groups for women with ASD-Asperger syndrome and make contact with other women to share experiences.
 - Provide support for families with adult women with ASD through family groups.
 - Develop specialist support to improve their quality of life.
 - Know and understand the characteristics of women with ASD, boost research and spread awareness of their role in society.
 - Provide the necessary information on women with ASD.

There were 50 beneficiaries.

- **Proyecto Hombre in Seville:** Funding of grants to contribute towards the costs of rehabilitation and the reintegration in society and the labour market of four destitute drug addicts from San Juan de Aznalfarache, Coria del Rio, Isla Mayor and La Puebla del Río, which participate in some of the programmes of aid against drug dependence of the Proyecto Hombre Seville.

- **Mater et Magistra Association:** Financial contribution to improve accessibility at the centre, particularly to adapt the bathrooms in the residential unit in order to improve privacy conditions, as well as improve the quality of life of the persons they assist there. Beneficiaries 91.
- Financial aid for the **Alzheimer's Association in San Juan de Aznalfarache** for its cognitive welfare programme, on-hand service and awareness, offering a quality resource that addresses the complexities of providing assistance for dementia patients, enhancing the quality of life for those affected and the people around them. Beneficiaries 464.
- **Aliento Association:** Collaboration in the M^a Ángeles nursery support programme in El Vacie.

MADRID

- **Vianorte Laguna Foundation:** Donation for the online Christmas charity concert for the Paediatric Day Unit for children with rare and advanced diseases.

VALENCIA

- **Association of Families of Alzheimer's patients of Benifaió:** Economic assistance for the Project "Al compás" (To the Beat): Intervention in People with Alzheimer's through music. Specific group and individual musical stimulation sessions were held over a period of 10 months for all users of the centre. The aim of these sessions is to use music as a therapeutic tool to help manage behavioural disorders associated with dementia, help maintain the autobiographical memory and foster sociability among users, based always on the emotion generated by music.

JEREZ

- **San Pablo Parish:** Funding of the "Childsplay Project". This project is for girls and boys aged 6-14, as well as young people of 14 and over, who can undergo training, first as assistant monitors, then as pre-monitors and finally as monitors. They are offered education in values, where the monitors act as a complementary or alternative references for the persons around them. The aim is to boost the children's confidence and help them to interact with their peers and become more involved in the parish, fostering their social and religious awareness.

MOROCCO

- Financing of school transport for children from the kabilas next to our factory, who have no means for getting to school.
- Funds were also provided to buy school material for one of the nurseries near the plant.

INDIA

- Financial support to build a multi-use sports hall for children with different disabilities. Tapan Project.

Detailed information on the projects developed by the Foundation during 2020 can be found on its website www.fundacionebrofoods.es

Compliance

None of the companies in the Ebro Group has been penalised for breach of the law, regulations or standards or received any claims regarding social impacts.